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# Daily Report

# Latin America

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# Daily Report
## Latin America

*FBIS-LAT-89-116* *19 June 1989*

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## Cuba

### GRANMA Editorial on Torralba, Ochoa Arrests

*FL1606130689 Havana Tele-Rebelde Network in Spanish 1100 GMT 16 Jun 89*

[Text] Today, under the title: A True Revolution Will Never Allow Impunity, GRANMA published an editorial which reads as follows:

In relation to the events which led to the measures taken against Diocles Torralba and Arnaldo Ochoa, several people, including civilians, personnel from the Revolutionary Armed Forces [FAR] and Ministry of the Interior [MININT], have been arrested.

The leaders of the Communist Party of Cuba [PCC], FAR, and MININT, which under the personal guidance of the commander in chief are engaging in the rigorous elucidation of the faults committed in these acts against socialist morality and legality, have extensively informed GRANMA about the proceedings and the course of action taken by the rigorous investigation being carried out against these important officials of the PCC and state. This confirms the seriousness of the charges against them.

The cases of Diocles Torralba and Arnaldo Ochoa are not directly linked to each other. Regarding Diocles Torralba, the facts have to do, essentially, with personal immoral conduct which was also wasteful and corrupt, according to all the investigations being done. It has not yet been established, although it is still being closely investigated, how this conduct could have influence in the use of financial and material resources which, given his high charge, he administrated. While waiting for the results of the investigation, Diocles Torralba has been arrested. Also arrested was the owner of the house in which he recently lived, as well as Alberto Galvez Richardson, Publicitur [Cuban tourism] official, closely linked to Torralba. Other people with whom he had established relations have been interrogated but not arrested. Although this has to do with different conducts and problems, some people who have been seriously implicated had links with Torralba and Ochoa.

The case of the latter is much more serious and complex due to the important tasks assigned to him relating to military cooperation with Nicaragua and later with Angola. Except for small work periods in Cuba, Ochoa has been out of the country since 1983. Because of the character of his missions, Ochoa entered and left the country frequently. His long stay abroad, his military hierarchy, his prestige, his constant moving, the high responsibilities, and the confidence placed in him, allowed him to cover the process of moral decay which, little by little, occurred in him, as well as the events he became involved in. He was able to exercise strong influence and managed to corrupt officers who directly worked with him. These he used in his elicit activities and, instead of informing higher-ranking officers, they became accomplices.

Also because of his rank and influence at work, Ochoa established close ties with a group of officers from the Ministry of the Interior for his own ends. Some of these officers had important responsibilities and, just as Ochoa, had evidently fallen in a process of frank moral decay.

Ochoa's tendency to concern himself in matters not related to his military mission, although he always justified them by saying he needed them to promote commercial operations to obtain resources for the nation's fulfillment of its internationalist commitments, was the motive for having his attention called various times and being criticized by the minister of the FAR.

Although his military capacity was never questioned, due to his experience and preparation, the high command of the FAR, in order to assure 100 percent success by our troops in Angola, assigned Division General Leopoldo Cintra Frias as chief of the Southern Front. This is where the war was actually going on. This is also where the bulk of the personnel, tanks, artillery, anti-aircraft measures, and Cuban combat air force was located. For its part, the General Staff of the Revolutionary Armed Forces continued, day-by-day and hour-by-hour, to be in close contact with the Angolan command and the leaders of our troops in the south, the development of events, and every important decision made.

Ochoa was actually in charge, fundamentally, of other tasks of the Cuban military mission in Angola. Due to this, his obsessive concern for economic aspects, which was criticized several times, could not influence military aspects in the least. As soon as the peace agreement was drafted, he was returned to Cuba, leaving Div Gen Leopoldo Cintras in charge of the complex and arduous duty of making certain the agreements were fulfilled on behalf of Cuba, as well as the progressive and gradual withdrawal of our troops.

Since the faults known up to that moment did not disqualify him from assuming important duties in the FAR, the possibility of naming him chief of the Western Army was considered. However, rumors and bits of information, which were obtained through various means, of serious irregularities of a moral nature in Ochoa's conduct, and possible misuse of resources, caused the postponement of assigning him to the new charge and instead initiated a rigorous, but discreet, verification of this information. Finding out they were true, there was even the chance of desertion, as usually happens in the cases of individuals whose ethics and principles, basis of all true revolutionary conduct, suffer a complex deterioration. In this process, the possibility that Ochoa himself, in frank and open discussions, explain some aspects of his conduct was uselessly exhausted.

The magnitude of his faults could still not be imagined. Later on, however, the preliminary results of the verification gave enough proof to initiate the energetic, although painful, decision to arrest him and inform our entire country who, and not without reason, received the news with great sadness and bitterness. The seriousness of the crimes inevitably determined the need to proceed with an exhausting investigation, and submit him to an honor tribunal according to his rank and the regulations of the Revolutionary Armed Forces, as well as continuing with all the legal proceedings of the case.

We should say that it has never been indicated that Arnaldo Ochoa and the small group of MINFAR [Ministry of the Revolutionary Armed Forces] and MININT officers who were his accomplices, have been implicated in political activities or acts of treason against the Revolution. His treason is of another nature and very serious. His crimes have been against morals, principles, laws, the prestige of our Revolution, and our glorious and heroic Revolutionary Armed Forces, and MININT combatants. This type of treason always, sooner or later, leads to political treason.

During the course of investigation, a great number of facts have been accumulated to clear up events. It would not be correct to publish them in detail until the investigation is complete and the honor tribunal which will study Ochoa's conduct is informed and, in turn, the subsequent legal steps are decided upon. Aside from Ochoa's grave moral faults, squandering, and corruption, which is not exactly the justice tribunals' responsibility to judge, the crimes which we refer to implicate his responsibility in corrupting subordinate officers and leading them to commit criminal actions, as well as the inadequate use, appropriation, embezzlement, squandering, and misuse of convertible currency, and the excessive desire to accumulate and manage funds.

Also, what constitutes an action that is much worse and without precedent in the history of the Revolution, is that Ochoa and some MININT officials in connection with him made contact with international drug dealers. They made agreements, attempted and possibly even cooperated with some drug trafficking operations close to our country. The investigations are now centering on this very serious aspect which could have led to imperialism's insidious campaign against the Cuban Revolution. Anything that can be proven on this will be made widely available to national and international public opinion.

For their participation in activities of one type or another, or in various activities, by order of degree of the implication, Jorge Martinez Valdez, captain; and (Antonio Martinez Estupinan), colonel; both aids of Ochoa and of the MINFAR, have been arrested. The main people from the Ministry of the Interior who have been implicated are: Patricio de la Guardia Font, brigade general; Antonio de la Guardia Font, colonel; Alexis Lago Arocha, lieutenant colonel; and Amado Padron Trujillo, major. All of them have been arrested.

Although very surprising and bitter for our people, let these events show that if among the people of moral as well as physical order, grave ailments can arise, nobody in our nation, no matter how great their merits, no matter how high their hierarchy, can violate the principles and laws of the Revolution with impunity. There may be those who violate those principles and laws, but the inexorable weight of revolutionary justice will fall upon them. A true revolution will never allow impunity, concludes the GRANMA editorial that was published today.

## Communications Vice Minister Denounces TV Marti

*FL1706014389 Havana Television Service in Spanish 0000 GMT 17 Jun 89*

[Text] At the international communications forum in France, our country denounced the attempt of the United States to violate Cuban sovereignty with radio and television systems directed at Cuba. Mercedes Carracela, vice minister of communications, gave details of this during a news conference.

[Begin recording of Carracela, identified by caption] We recalled how at the 1982 Nairobi conference, Cuba denounced the U.S. plan to put a shortwave radio station on the air against the people of Cuba for subversive and destabilizing purposes.

Today, in 1989, we stressed in Nice, France how this threat has become a reality. In May 1985, the poorly named Radio Marti station went on the air violating all current international agreements including those that regulate the International Union of Telecommunications. The United States is violating the (Narva) agreements on radio dissemination in the North American Continent and the Caribbean. This is a flagrant violation of all that is included in the international agreements on telecommunications.

We also take this opportunity to denounce the intention of the United States to put a television station on the air. The U.S. Government has approved more than $32 million. In this case, we make it clear that we are holding the U.S. Government responsible for any measures resulting from this illicit activity. It is another demonstration of their technical and economic prepotency against a Third World country.

Once the conference was over, many Latin American countries approached us. Many developing countries expressed their solidarity with Cuba's statements. [end recording]

## Chile's Communist Party General Secretary Visits

*FL1706154789 Havana Tele-Rebelde Network in Spanish 1300 GMT 17 Jun 89*

[Text] Volodia Teitelboim, general secretary of the Communist Party of Chile, is visiting our capital. Manuel Pineiro Losada, chief of the America Department of the Communist Party of Cuba Central Committee, received

the official at the airport. During his stay in Cuba, the Chilean leader will visit the Blas Roca Calderio contingent, a family doctor clinic, and EXPOCUBA.

His work agenda includes meetings at the America Department, as well as other meetings with various organizations and leaders of our country.

**Education Cooperation Accord Signed With Mexico**
*FL1706020889 Havana Television Service in Spanish 0000 GMT 17 Jun 89*

[Text] Mexican Public Education Secretary Manuel Bartlett departed for his country this afternoon after attending the Eighth Joint Cuban-Mexican Commission on Education, Culture, and Sports.

Prior to his departure, Bartlett signed a cooperation agreement, effective through the year 1992, in the headquarters of the MINREX [Foreign Ministry]. Jose Ramon Fernandez, vice president of the Council of Ministers and education minister, signed on behalf of Cuba.

The education agreements include academic exchanges between universities, scholarships, and scientific research in special and artistic polytechnical schools. [sentence as heard] The two countries also agreed to exchange rules, school norms, study plans, and methodology at the technical, specialized, and intermediate levels.

Cooperation has also been established in culture, art, radio, television, cinematography, as well as publications, libraries, and archives. General aspects on sports medicine, training of athletes, and high-yield modalities are also included in the agreements.

Earlier, the Mexican delegation headed by Bartlett visited the Genetic Engineering and Biotechnology Center which he said impressed him because of the results attained from the research conducted in different aspects of our economy.

**Venezuelan University Official on Cooperation**
*FL1606202789 Havana Radio Reloj Network in Spanish 1950 GMT 16 Jun 89*

[Text] Elizabeth de Caldera, president of the Venezuelan Association of University Rectors, discussed the possibilities for cooperation between Cuban and Venezuelan higher education centers. The visitor is heading a delegation from Venezuela to the first meeting of university centers from the two countries. The meeting is scheduled to end tomorrow.

She said the positive results of the event will lead to another meeting which will be held in Caracas next year. The president of the Venezuelan rectors' association said the experience will be discussed with other members of the organization so that areas of interest can be established and bilateral agreements can be signed in 1990. She said that this cooperation will allow for the gradual exchange of information, professors, and students and she expressed interest in developing studies on savannah cattle and crops.

**Cultural Cooperation Accord Signed With Ecuador**
*FL1606193989 Havana Tele-Rebelde Network in Spanish 1700 GMT 16 Jun 89*

[Text] A cultural agreement between Cuba and Ecuador has been signed in that brother nation. Without a doubt, the signing of the cultural agreement between the Benjamin Carrion Ecuadoran House of Culture and UNEAC, National Union of Cuban Writers and Artists, is an important event in the cultural life of Cuba and Ecuador. The agreement establishes ties of creative cooperation and reciprocal exchanges between writers and artists of both nations.

Every year, both cultural institutions will exchange a writer, musician or composer, as well as a plastic artist, one from the scenic arts, and information material.

Architect Milton Barragan, director of the Ecuadoran Culture House, signed the document on his country's behalf. On behalf of the Cuban institution, Carlos Zamora, ambassador from our diplomatic headquarters in Ecuador, signed the agreement.

[Begin Zamora recording] For many years we have been in need of formal relations. However, the close, cordial, caring, and friendly relations between our nations has forged an indissoluble and unending tie, with its topmost figures, as well as with its artistic and cultural creations. The strength of the link that exists between our nations will go down in history. [end recording]

**Namibians in Country To Be Repatriated**
*FL1706005489 Havana Radio Rebelde Network in Spanish 2318 GMT 16 Jun 89*

[Report by Daniel Torres during "Exclusivo" program]

[Text] Namibians located in Cuba will be repatriated in early July according to the UN plan to return these exiles. This was announced today here in Havana by SWAPO [South-West African People's Organization] sources.

In statements to Radio Rebelde's Exclusivo program, (Joseph Cangene Alubilu), vice representative [title as heard] of the SWAPO, said that close to 1,500 of his compatriots in Cuba will be returned to Windhoek, the capital of Namibia.

The return of Namibian refugees began last Monday when 385 of them returned to their place of birth from Angola after several decades of exile.

A team of the UN High Commission for Refugees is currently touring Cuba to register those who will travel to their land of origin as part of a 6-week operation which was delayed because of South Africa's reluctance to suspend its discriminatory laws in Namibia.

### Div Gen Senen Casa Regueiro Welcomes Combatants

*FL1606152889 Havana Tele-Rebelde Network in Spanish 1100 GMT 16 Jun 89*

[Text] Last night, another group of internationalist combatants arrived in Havana. The combatants came from Angola. Division General Senen Casa Regueiro, alternate member of the Communist Party of Cuba [PCC] Politburo and substitute for the minister of the Revolutionary Armed Forces, welcomed these soldiers back to the homeland. These men spent over 24 months in the brother country.

On their chests the men bear the Internationalist Combatant, first and second class medals. [Words indistinct] Calixto Garcia and Antonio Maceo constitute significant displays of valor and devotion to the fulfillment of the most sacred patriotic duties.

Representatives from Havana's political and mass organizations were also present to welcome the victorious, newly returned combatants.

### Further on Welcoming Ceremony

*FL1606184089 Havana Tele-Rebelde Network in Spanish 1700 GMT 16 Jun 89*

[Text] Today, over 400 internationalist combatants received their peoples' and fatherland's recognition at the Cacahual Mausoleum.

Next to the remains of Maceo and Blas, heroes from different times in our nation's history, our heroes from Angola, with as young an age as Panchito Gomez Toro, have also written beautiful pages of solidarity, brotherhood, and internationalism.

Each one of them represents the purity of our ideals. Back in the fatherland, they will continue to build socialism along with their people who, today, greet them as the heroes of Cuito Cuanavale and other victorious battles.

[Begin Division General Senen Casas Regueiro recording, identified by caption] We are gathered here at the Cacahual—in front of the mausoleum that holds the remains of General Antonio Maceo y Grajales and also those of Captain Panchito Gomez Toro, and which is located only a few meters from Comrade Blas Roca Calderio's tomb—solemn place to which the breeze attracts us: the heroes' breath. On behalf of all the Cuban people, we give you a strong welcoming embrace, as well as a strong personal embrace from Comrade Fidel and Comrade Raul. [end recording]

These internationalists are the sons of Maceo and Blas and corresponding to their examples, these men have made themselves worthy of being part of the history of the invincible Cuban Revolution.

### PRENSA LATINA Celebrates 30th Anniversary

*FL1706151089 Havana Tele-Rebelde Network in Spanish 1300 GMT 17 Jun 89*

[Text] PRENSA LATINA was created in 1959 as part of the new phase of emancipation that was opening in the continent, which was asking for a new kind of journalistic organization. Last night, PRENSA LATINA celebrated its 30th annivesary with a ceremony in the Cobarubias Room at the National Theater.

[Begin recording of (Pedro Morgollez), director of PRENSA LATINA] With true pride we celebrate in Cuba its 30th annivesary, in the very same place where it was born on June 1959, just 6 months after the triumph of the Cuban Revolution. PRENSA LATINA is the fruit of the inspiration, encouragement, and the thrust of that historic event that opened a new phase in the emancipation of the continent. [end recording]

With these words, (Pedro Morgollez), director of the agency, closed the ceremony that was presided over by Jorge Risquet and Armando Hart, members of the Communist Party of Cuba Central Committee Politburo.

During the ceremony, recognition certificates were given to the founders of PRENSA LATINA. It was also announced that the International Organization of Journalists gave the agency the (Julius Fusich) Honor Medal for its contribution to communication among the peoples. Additionaly, the International Union of Students [UIS] presented the agency with its highest award—the UIS Medal.

Over 150 journalists and numerous collaborators currently compose PRENSA LATINA which, in addition to its office in Havana, has 38 [words indistinct] in various areas of the world. On a 24-hour basis, PRENSA LATINA provides [words indistinct] the press of several countries, thus helping to break the information monopoly of western agencies.

### National Assembly Begins Meetings 17 July

*FL1606151789 Havana Radio Progreso Network in Spanish 1100 GMT 16 Jun 89*

[Text] On 17 July, the National Assembly of the People's Government [ANPP] will hold its fifth regular session of meetings which correspond to the third legislature.

This will be the ANPP's first session of meetings this year and will begin at 0900.

### Matanzas Fire Affects 400 Hectares of Land

*FL1706023589 Havana Radio Rebelde Network in Spanish 2305 GMT 16 Jun 89*

[Report by Daniel Torres during "Exclusivo" program]

[Text] The fire, friends, detected yesterday afternoon south of Union de Reyes and Bolondron, Matanzas Province, has affected close to 400 hectares of land in swampy areas in the Cienaga de Zapata. The fire is being fought manually and by the forestry air detachment.

The command post of the Forest and Fauna Protection Directorate of the Agriculture Ministry has reported to Exclusivo that the fire is affecting coastal areas, the ecology, and the environment.

Since the fire was detected, manual forces began fighting it to prevent it from spreading to other areas. The air forestry detachment, comprised of PSM Dromader airplanes from Poland, joined the battle this morning. It was also reported that the possibility exists that if the fire spreads to Monte Alto, the natural forest and fauna could be affected. All precautions are being taken to keep the blaze from spreading.

The Agriculture Ministry's report concludes by saying that people are working hard by land and air to put the fire out and prevent major losses.

I repeat: A forest fire in Union de Reyes, south of Union de Reyes and Bolondron in Matanzas Province has affected close to 400 hectares.

### Forest Fire Extinguished

*FL1906122689 Havana Tele-Rebelde Network in Spanish 1110 GMT 19 Jun 89*

[Text] The forest fire detected last Thursday in the Cienaga de Zapata has been completely extinguished. It is assumed that the fire was caused by lightening. On Friday, its line of advancement grew to 10 km in length. The efficient action of combined forces of the agricultural aviation detachment, provincial fire department, PNR [National Revolutionary Police], MTT [Territorial Troops Militia], and forestry workers prevented the fire from spreading. They were able to control and extinguish the blaze.

The area affected consists of more than 1,000 hectares of land, which was primarily covered with weeds and palm trees. Part of a young wild forest also burned down. The principal damage occurred to fauna, primarily the parrot which makes its nest during this season, and a (?fernery), which is considered to be a protected area.

## Barbados

### $33 Million Loss Reported on Ethanol Project

*FL1606205189 Bridgetown CANA in English 2001 GMT 16 Jun 89*

[Text] London, June 16, CANA—Barbados is to limit its capital borrowing this year to around U.S. 25 million dollars, Prime Minister Erskine Sandiford told London bankers Thursday. He attributed this to the "remarkable" recovery of the fiscal and balance of payments position and the country's expectations for the year. He said the U.S. 25 million dollars was well below Barbados external repayments, about a quarter of which will have to be met from earnings.

"Such a strategy, we feel, will be supported by our friends in the capital market since it is designed to prevent the too rapid build up of external debt," he noted.

Sandiford invited the British bankers to "take a close look at our economy and to share in the stable political and economic environment we have created to the mutual benefit of both partners." The prime minister projected two per cent real growth in the economy this year, led by tourism "and the manufacturing sector also growing though perhaps not as strong as in 1988."

He told the group that the Barbados Government remained conscious that economic growth and social development cannot be achieved without the full and active participation and cooperation of the private sector. He added that Barbados had a per capita income of just over U.S. 5,000 dollars and it was a tribute to how the country used its land, people, management, technology, and other resources to increase output and have that output distributed in a beneficial way to those who helped to create it.

Sandiford winds up his one week visit to Britain and returns home Saturday.

### Double Taxation Agreement Signed With Finland

*FL1706181889 Bridgetown CANA in English 2101 GMT 16 Jun 89*

[Text] Bridgetown, Barbados, June 16, CANA—Barbados has signed a double taxation agreement with Finland, the government here reported Friday.

The signing took place at the Finnish Embassy in London. Signing on behalf of Barbados has Winston Cox, director of finance and economic affairs. Iikka Pastinem, ambassador for Finland to the U.S. signed on behalf of Finland.

As part of its commitment to the further development of international business, the government here is seeking to extend its network of double taxation treaties. Already treaties have been initialled with Sweden and Norway. Negotiations are in train with the U.S. for a protocol to

the agreement with that country and later this year, negotiations will be opened with West Germany with a view to concluding a double taxation agreement.

## Dominican Republic

### Army Mobilizes 20,000 Soldiers in Santo Domingo

*FL1706140689 Havana Radio Progreso Network in Spanish 1100 GMT 17 Jun 89*

[Text] The Dominican Army has mobilized 20,000 soldiers to guard Santo Domingo, the capital, after the trade unions reiterated their call for a national strike for next Monday and Tuesday [19 and 20 June]. Labor leader (Virtudes Alvarez) said: Our decision to call a strike remains unchanged. The government did not come up with any concrete solutions, and we are tired of promises.

The trade unions are calling for a 100 percent general adjustment in salaries for all workers. The Armed Forces and the high commands of the police have called the strike illegal and have threatened to act with maximum severity.

### 48-Hour Strike Begins, Union Leaders Arrested

*FL1906105589 Havana Radio Rebelde Network in Spanish 1020 GMT 19 Jun 89*

[Report by Alberto D. Perez on "Haciendo Radio" program]

[Text] A 48-hour national strike has begun in the Dominican Republic. It was called by the coordinator of trade union, professional, political, and peasant groups [Virtudes Alvarez] to protest the economic direction of President Joaquin Balaguer's government. A final attempt to avert the strike failed on Friday [16 June] when no concrete agreement was reached in a meeting between representatives of the coordinator and President Balaguer, who said he hoped that there would be no bloodshed during this strike.

For their part, strike coordinators have said that if there is bloodshed, it will be because of the actions of the repressive forces which began arresting the principal strike leaders in the days prior to today's strike.

The last news I have from the Dominican Republic indicates that transportation has been severely restricted and that there is a high level of absenteeism at work centers.

### Joint Army, Police Units Protect Supermarkets

*FL1906114789 Havana Radio Rebelde Network in Spanish 1036 GMT 19 Jun 89*

[Text] Joint Army and police patrols of the Dominican Republic are protecting the supermarkets in Santo Domingo while troops have been confined to their barracks in view of the 48-hour general strike that begins today.

The strike was called by the Conference of People's Organizations, COP. After talks with the government failed, the 20 leaders of the 300 trade union, civic, and peasants' organizations that comprise the COP said on television that—and these are their words—the strike is on.

I would like you to know that the COP presented a list of proposals to the government of President Joaquin Balaguer demanding several socioeconomic changes, including an increase in the monthly minimum wage and a 2-year postponement of foreign debt and interest payments.

## Haiti

### Soldiers Said Arrested for Criminal Activity

*FL1606203389 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Jun 89*

[Excerpts] The climate of insecurity and fear is growing increasingly worse in the capital. [passage omitted] Some 10 members of the Armed Forces are at present in prison in Port-au-Prince for having participated in acts—robberies and murders—contributing to the climate of insecurity. According to several different sources very close to the Army, the military authorities decided to arrest these men after a report from an investigating committee on the matter.

A good number of these members of the Armed Forces drew attention to themselves by going to the military hospital for care after being wounded during their criminal operations.

These same sources say that several members of the Armed Forces on active duty left their posts in the provinces to come commit criminal acts in the capital. Also, some soldiers pretend to be patients at the military hospital and leave the hospital at night to go sow trouble.

According to a reliable source that has asked to remain anonymous, the thief wounded last week at Haitian Dry [a dry-cleaning establishment] in Port-au-Prince—to be more precise, on the Saint Gereau Bridge—was also admitted to the military hospital, with a head wound.

### Former Political Prisoners Deny PUCH Ties

*FL1606204089 Port-au-Prince Radio Nationale in Creole 1300 GMT 16 Jun 89*

[Text] The League of Former Haitian Political Prisoners [LAPPH] issued a press release on 13 June denouncing a plot (?against) Mr Gaston Jean-Baptiste, the head of the LAAPH's regional office in Thiotte. In followup to this press release, we interviewed Mr Robert Duval, who is the president of the LAPPH. Duval told us that he too had learned about this through an LAAPH member from Thiotte.

This messenger from Thiotte, whose name is Gaston Jean-Baptiste, is accused of writing a number of slogans on the walls in Thiotte, such as: Long Live a Government of National Coalition: and Long Live the Unified Party of Haitian Communists [PUCH].

During our interview with Duval, he stressed particularly the line adopted by the members of the LAAPH.

The LAAPH works only in the domain of defense of human rights. Also, according to Robert Duval, the LAAPH has always exhibited proof of its autonomy and has avoided participating in any political activities. According to Robert Duval, there are no ties whatsoever between the PUCH and the LAAPH.

### Petion-Ville Police Raid Yields Grenades, Drugs

*FL1606202589 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Jun 89*

[Excerpts] The Petion-Ville Police and the Presidential Guard arrested four people at the big residential Hotel Louverture on Rue Geffrard in Petion-Ville yesterday afternoon. The arrests were made when the police went to search the clinic of a Dr Jean Claude Joseph, which is the name everyone knows this man by. However, Joseph is a Dominican. [passage omitted]

While this search was being conducted, the Petion-Ville police and a few members of the Presidential Guard were searching the doctor's private residence, located on Rue Louis Pouget on Morne Rigaud. According to the commander of the military district of Petion-Ville, the Dominican citizen, whose name is Jean Claude Alcazar has a false passport under the name of Jean Claude Douyon. He is known at the clinic as Dr Jean Claude Joseph.

During the search of the clinic, the military found approximately 20 grenades, and at Alcazar's private residence they found a few parcels of drugs.

According to a press release issued by the general headquarters of the Port-au-Prince police, they found at the residence of Dr Jean Claude Alcazar a large amount of offensive, fragmentation grenades. They also found machetes, a military cap, several books on military courtesy and the military court system, some cocaine, and some marijuana.

Also, according to reports they have, this doctor's objective was to sow terror and mourning in Port-au-Prince and certain provincial towns in order to have this result in a big social upheaval in Haiti.

Several arrests were made in connection with this search. The doctor got away. They did not find him. He is currently being sought by the police so they can take him to court.

This is a press release signed by Jodel Lessage, executive officer in charge of public relations for the general headquarters of the Port-au-Prince police.

We must point out that according to a reliable source, the Army has been in Condition D since approximately 1400 yesterday. Despite the many rumors of all kinds circulating, we do not know the exactly why the Army has been put in Condition D.

## Jamaica

### Prime Minister: Capital Borrowing To Be Limited

*FL1606205089 Bridgetown CANA in English 1916 GMT 16 Jun 89*

[Text] Kingston, Jamaica, June 16, CANA—Although Jamaica's ethanol operations have so far lost 33 million dollars (one J dollar—18 U.S. cents) and are not projected to generate any cash surplus until 1991, the government will go ahead with the project, minister of mining and energy, Hugh Small, has reported.

"The amount of money that has been invested...we cannot allow it to go down the drain," he said.

The mining minister who was speaking in the budget debate underway in the Jamaican parliament said that so far the ethanol project, administered by the state-owned Petroleum Corporation of Jamaica [PCJ], has cost 171 million Jamaican dollars with a further budgetary request for 100 million dollars to complete it. The minister said that a recent evaluation of the project recommended that it be appraised. However given the heavy investments, the PCJ was "endeavouring to obtain successful market agreements in the United States and with the European Economic Community for raw materials."

The PCJ has been instructed to be ready to finalise agreements, he said, adding that "we hope eventually to start turning over profits."

The future of the ethanol project was in doubt as there have been criticisms about its viability. The PCJ through its subsidiary oil refinery petrojam, had invested heavily in a dehydration plant, sugar factory, and a "wet" alcohol plant. The most controversial of these investments was the leasing in 1987 of Belize's Libertad sugar factory and surrounding lands to produce alcohol.

Jamaican sugar interests criticised the move, saying that any such investment should have been in Jamaica, and the cane farmers association rejected the assertions by the PCJ and the former government that it was cheaper to grow sugar cane in Belize than in Jamaica.

Shortly after being appointed minister, after the February 9 general elections, Small visited Belize to review Jamaica's involvement there. At that time, the Jamaican minister told the Belizean authorities that there was no guarantee that the new government would want to maintain the operation.

## Belize

### EEC Approves Grant for New Hospital in Capital

*FL1506210389 Bridgetown CANA in English 2234 GMT 14 Jun 89*

[Text] Belmopan, Belize, June 14, CANA—The European Economic Community has approved a grant of 6.4 million dollars (one BEL dollar: 50 U.S. cents) to the Belize Government for a new 100-bed hospital to be built in Belize City, the state-controlled radio here announced. The grant was approved at a recent meeting of the EEC Council of Ministers. In addition, the EEC has also approved a soft loan of BZE [as received] 19 million dollars for the same project and the government of Belize will add another 2 million dollars to this.

## Costa Rica

### Arias Discusses Links With PRD, Noriega

*PA1606163589 Panama City ACAN in Spanish 0059 GMT 16 Jun 89*

[Text] San Jose, 15 Jun (ACAN-EFE)—Costa Rican President Oscar Arias admitted that his party has indeed received help from Panama's ruling Democratic Revolutionary Party (PRD), which supports General Manuel Antonio Noriega.

In remarks carried by the Costa Rican media today, Arias pointed out that, nevertheless, his party—the National Liberation Party [PLN]—has recently called for the expulsion of the PRD from the Socialist International, in light of the crisis that has rocked Panama.

Referring to the 7 May Panamanian elections, Arias said: "We regret what happened" to the PRD. The elections were subsequently annulled and the Panamanian Government was accused of fraud.

Arias emphasized that because of these irregularities, PLN General Secretary Walter Coto called for the expulsion of the PRD at a recent meeting of Latin American Socialist International members held in Jamaica.

Arias said that "parties that are friends" of the PLN and the Social Christian Unity Party (PUSC), the leading opposition force in Costa Rica, have always received help in one way or another during previous election campaigns and that there have "never been any objections" to this cooperation.

The Costa Rican president referred to this issue 2 days following disclosures in San Jose concerning statements by Jose Isabel Blandon, Noriega's former adviser. According to Blandon, the PRD gave economic aid to Costa Rica's ruling party during the 1986 elections.

In addition, PUSC Deputy Carlos Monge admitted that his party also received aid from "parties with similar ideologies" from other countries, but "not $500,000 from Noriega," as stated in a report that Democratic Senator John Kerry allegedly sent to a commission of Costa Rican deputies investigating drug trafficking in the country.

These accusations were rejected by PUSC presidential candidate Rafael Angel Calderon Fournier, who blamed this "dirty lie" on Arias and Carlos Manuel Castillo, the PLN presidential candidate for the February 1990 elections.

Arias denied Calderon's charges that he, Arias, is behind an alleged "set-up" detailed in the Kerry report. Kerry heads a Senate subcommittee tasked with looking into drug trafficking, among other matters.

The president categorically stated: "To grant me the power to make the U.S. Congress do what Oscar Arias wants it to do is attributing to me an influence which I in fact do not have."

## El Salvador

### Cristiani on FMLN Denial of Rodriguez Killing

*PA1606222789 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 16 Jun 89*

[Report on interview with President Alfredo Cristiani by Rene Hurtado at the Camino Real Hotel on 16 June—recorded]

[Text] [Hurtado] President Cristiani this morning delivered part of the coffee tax, which will be distributed among all the mayors' offices in the country. After this event at a San Salvador hotel, Cristiani answered questions, first on the Farabundo Marti National Liberation Front [FMLN] communique denying participation in the murder of Presidency Minister Jose Antonio Rodriguez Porth. In the communique, the FMLN flatly declared that none of their members had had anything to do with the murder. Cristiani had this to say:

[Cristiani] The FMLN General Command said they did not order the assassination and added that apparently a group got out of hand and perpetrated the crime. I think the FMLN has realized the general repudiation this action has elicited. I am convinced the FMLN is trying to excuse the action, thus avoiding all responsibility. We think they are trying to seek a way out of the problem caused by the assassination of an aged, defenseless person. But there is no way out for them now.

[Hurtado] The FMLN has denied that any of its members participated in the action.

[Cristiani] Of course, they are now trying to deny it after they learned of the repudiation both here and abroad. In addition, they waited a considerable time to deny their participation. They had a complete plan against the

government. As you know, the plan is called All Against ARENA [Nationalist Republican Alliance]. This murder was part of their plan. Rodriguez Porth had no enemies. He was a peaceful man who struggled with his pen and ideas. Only an irrational mind, like that of those who advocate violence, could have conceived this action. I am convinced the FMLN did it.

[Hurtado] Mr President, if you and the [words indistinct] are convinced the FMLN is guilty, what will become of the dialogue?

[Cristiani] We think we should overcome the effect of this heavy blow caused by the loss, not only of a column of the party and of our ideology, but also of a personal friend. As members of the government, we should overcome our grief and seek the good of the country. We believe [words indistinct] violence is repudiated and rejected in the country. It is time for the FMLN to talk about its objectives. They have rejected the opportunity to talk with the government with unacceptable and unjustifiable arguments. But our proposal for dialogue is still good. We are willing to sit down and talk with them so this violence can end.

[Hurtado] Has a commission already been formed?

[Cristiani] We are in the process of forming it. Some of the proposed persons have already agreed to be members. We hope to have formed the commission by the end of the week. As soon as we have it, we will gladly announce (?the members' names).

[Hurtado] There has been talk of an antiterrorist bill. Are you going to submit this bill during the next few days?

[Cristiani] We are not working on any antiterrorist bill. We are working on some amendments to the Penal Code to modernize, update, and adapt it to the nation's reality. Our Penal Code was (?drafted) many years ago and was meant for normal times; logically, we are not experiencing normal times. We have seen how many countries in the world, such as Germany, Spain, Colombia, [word indistinct]—all of which find themselves threatened by the plague of terrorism—have had to adjust their legislation and laws, modernizing them according to their needs.

We are not thinking of any specific law but will instead make necessary reforms to the Penal Code. (Corelesal) and other institutions are working on this, and we will submit them to the Legislative Assembly when they are ready.

[Hurtado] Mr President, the National Association of Private Enterprise received a note from the FMLN. I do not know if you are familiar with it. What do you think of the FMLN's position regarding private enterprise?

[Cristiani] To me, this demonstrates the FMLN's inconsistency. This is an attempt to make believe, for strategic and propaganda advantages, that they want peace when they are actually not prepared for it or have not shown a real desire for it. A peaceful solution can only be sought at the appropriate political level, which is the government of the Republic. I feel this is a subterfuge, because they also [word indistinct] rejection when they refused to accept the government's proposal to sit and talk. They are trying to find an argument to say they want to engage in dialogue but (?not) [words indistinct]. I think this is just a ploy on their part.

We hope they will demonstrate a true desire for peace and the political resolve to achieve it and will accept our proposal to seek it through a permanent and uninterrupted dialogue. The people reject violence and want peace and tranquillity.

[Hurtado] Is our currency going to be devalued?

[Cristiani] I repeat once more that (?we do not seek) instability but stability for our currency and that all our efforts in the future will be aimed at this stability. We continue to study the status of public finances as we receive them. I want to say, as a newsbreak, that the previous administration left public finances in a deplorable state. We will later release more precise data to enable you to see the dramatic state in which this government received public finances and the way in which public finances were being handled, which I would describe as quite irresponsible.

[Hurtado] This was stated by President Cristiani when he was interviewed about various aspects of our country. Specifically regarding the last question, related to the devaluation of the country's currency, President Cristiani did not say yes or no. The devaluation may be made, but it seems to be conditional upon a study about a possible devaluation that the economic committee is currently planning at the presidential palace. It may or may not occur in the next few days, but the price of the U.S. dollar has already gone up to approximately 6.30 colones, and there is every indication, according to economic and political experts, that a devaluation may be ordered during the next few days.

### Merino on FMLN Communique, Quayle Visit

*PA1606221289 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 16 Jun 89*

[Report on interview with Vice President and Interior Minister Francisco Merino by unidentified reporter in San Salvador; date not given]

[Text] Salvadoran Vice President and Interior Minister Francisco Merino referred to the Farabundo Marti National Liberation Front [FMLN] document issued hours ago, which denied any responsibility in Dr Jose Antonio Rodriguez Porth's death:

[Begin Merino recording] The Farabundo Marti National Liberation Front [FMLN] has been acting erratically for some time; all its actions are quite erratic. The FMLN plans that the Armed Forces recently seized include a

strategy in which the FMLN is to create confusion among the population by not claiming responsibility for certain kinds of actions and crimes. Under these guidelines, the FMLN has not claimed responsibility for its actions, to insinuate....[changes thought] to create confusion or give the impression this is a violent situation that has arisen between political groups in the country.

Fortunately there is evidence. The Armed Forces have the documents that prove that this is a strategy carried out by terrorist groups to perpetrate this kind of action and provoke a confrontation between the political and democratic forces in the country.

Other valuable information has been uncovered, but I believe it is more appropriate for the public security authorities to reveal this. Terrorists have recently issued declarations revealing this strategy, their modus operandi, and the plans they have for the near future. They have plans to continue dealing blows against the new administration through its officials to force conditions for negotiations in the near future—as they did with former President Duarte's government. [end recording]

Vice President Merino also referred to another topic in the news, the antiterrorist law:

[Being recording] [Merino] We understand the bill has already been sent to the National Assembly. There is [words indistinct] for the defense of democracy, and another one that refers to the antiterrorist law. The truth is that the Executive Branch has been quite clear in its position, which was stated by the vice presidency.

The Executive Branch has clearly stated it cannot let these people continue operating without restrictions or controls, violating the law, disrupting social life, and directly affecting the [words indistinct]. The government and the people must be protected by effective laws so the public security forces can control the situation and so their activities are not interpreted as an abuse of authority. [Words indistinct] penal code that contemplates all the sentences for terrorist crimes; however, they have proved ineffective because they may lack the procedures needed in our current situation. Those laws date back many decades; it was never foreseen that El Salvador could reach the current deteriorated situation, in which people are killed and the culprits calmly walk away. Newspapers [words indistinct] say that since we are at war, it is easy for them to kill.

[Reporter] It is rumored that the law [passage indistinct].

[Merino] The provisions already exist; all we have to is harmonize them. We have to fulfill our obligation. The Constitution [words indistinct] stated that every secondary law should be harmonized with the Constitution. In this case, the penal code, the provisions have been neglected to a certain point, and it is imperative—if we are going to abide by the Constitution—to adapt them to our situation. [Words indistinct] Salvadoran people and no official of a friendly country can interfere with this.

I recently told some journalists who are my friends that Vice President Quayle's goal was to come and reaffirm his government's support of the new Salvadoran Government. He did it on this date because on 1 June he was in charge of the U.S. Presidency while President Bush was in Europe. His visit to El Salvador was not a mere coincidence. He came to reaffirm the U.S. Government's support of President Cristiani's government.

### Leftists Reject USIS Report on Porth Slaying

*PA1706200389 Panama City ACAN in Spanish 1914 GMT 17 Jun 89*

[Excerpts] San Salvador, 17 Jun (ACAN - EFE)—The United States Information Service (USIS) has reported that Salvadoran leftist leaders Guillermo Ungo and Ruben Zamora have admitted that the [Farabundo Marti National Liberation Front (FMLN)] guerrillas killed Presidency Minister Antonio Rodriguez Porth; the guerrillas have denied responsibility for the crime.

In a communique summarizing the meetings held by U.S. Vice President Dan Quayle during his visit to El Salvador this week, USIS reported that the guerrillas also killed Attorney General Roberto Garcia Alvarado.

Ungo and Zamora today denied the charges, calling them "totally false." They challenged USIS to take back or to clarify its statement published in the morning conservative daily EL DIARIO DE HOY. [passage omitted] A spokesman representing Ungo told ACAN-EFE that "the publication of that statement is a publicity stunt to implicate us in Rodriguez Porth's assassination. We deny the charges published today, and we demand a clarification from USIS." [passage omitted]

### PDC's Chavez Mena Criticizes Draft Resolution

*PA1606223589 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 16 Jun 89*

[Report by Boris Celada on statement by Christian Democratic Party (PDC) President Dr Fidel Chavez Mena; date and place not given—recorded]

[Text] I strongly reject this draft resolution presented before the National Assembly, the text of which I have in my hand. This draft resolution was studied and analyzed and is obviously totally unconstitutional and violates the most basic guarantees of individual rights, such as freedom of movement, speech, assembly, as well as the most basic rights guaranteed under the Constitution. The proposed law is also totally restrictive and open to the most arbitrary interpretation, something not seen in this country for a long time. In effect, it actually prohibits the existence or organization of any armed group or the publishing of material from an armed groups through any media, or any entity acting as a front for other

groups. In general, the draft resolution forbids any association, entity, party, faction, or movement that seeks to bring to power in El Salvador a regime opposed to democracy or that threatens the country's sovereignty.

This draft resolution is dogmatic, leaving open the possibility of totally arbitrary interpretation—something we overcame long ago and eliminated from our Constitution, that is, the infamous anarchichal or antidemocratic doctrines. The draft resolution also describes as a crime against state security several things, which if put in effect would curtail our right to freedom of speech. For example, anyone who spreads by word or any other medium, either inside or outside the country, any false or biased news or information designed to disrupt the constitutional or legal order or the country's security and tranquillity. The draft resolution mentions the economic and monetary system, the stability of public and private property, condemning anyone who runs newspaper advertisements, buys radio time, or otherwise disseminates news received from Salvadorans living abroad who pass judgment on events in the country.

I do not know if you are familiar with the proposed law, but it greatly limits freedom of assembly and speech and other individual rights.

**Labor Leader Alleges Police Torture in Prison**
*PA1706024489 Panama City ACAN in Spanish 2014 GMT 16 Jun 89*

[Text] San Salvador, 16 Jun (ACAN - EFE)—Jose Tomas Mazariego, Salvadoran telecommunications labor leader, who was held for 3 days by the police, charged today that he was "tortured and forced to say that I am allied with the guerrillas."

Mazariego denied the police charges today and said that during the 3 days of his arrest, he received "different types of torture, including blows and electric shocks."

The labor leader and member of the principal opposition labor organization explained that he was released because of the pressure exerted by Salvadoran organizations and U.S. officials who were concerned about him.

Mazariego planned to travel to the United States on Tuesday to meet with U.S. officials to promote an end to U.S. economic aid to El Salvador. In a communique released here today, the Treasury Police alleged that Mazariego, who is also leader of the National Union of Salvadoran Workers (UNTS), belongs to the guerrillas.

According to the police report, Mazariego claimed responsibility for conducting guerrilla tasks in the labor organizationn to which he belongs and of carrying out sabotage actions against public transportation.

**Armed Forces Seize Soviet-Made Arms From FMLN**
*PA1806195989 San Salvador EL DIARIO DE HOY in Spanish 17 Jun 89 pp 4, 29*

[Text] The Salvadoran Armed Forces have continued to seize Soviet-made weapons from the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] terrorists who operate in various parts of the country.

This was announced by the Armed Forces Public Relations Office, which also disclosed details of military operations during which the terrorists lost a considerable amount of weapons.

On the afternoon of 15 June, Artillery Brigade troops found an arms cache near Calzones Arriba village, Santa Ana jusrisdiction.

The cache contained 1,360 rounds of AK-47 ammunition, 3 Turkish sabers [yataganes], 2 sheaths for the sabers, 780 Korean-made .38-caliber bullets, 60-mm Chinese-made grenades, and material to manufacture explosive devices.

Soldiers of the 6th Military Detachment found a terrorist hideout near El Angel Ranch, Santa Ana jurisdiction. The soldiers seized an AR-15 rifle, 3 grenades that can be fired from a G-3 rifle, medical supplies, and some food.

Meanwhile, units of the Lenca Battalion's 4th Military Detachment based in San Francisco Gotera defused four Claymore mines that the rebels, with criminal intentions, had planted on the road to San Isidro, Morazan Department.

**FMLN Acts Against Disobedient Landowners**
*PA1806050189 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2308 GMT 17 Jun 89*

[Communique issued by the Feliciano Ama Western Front's Political Military Directorate on measures adopted by the Farabundo Marti National Liberation Front—no place or date given]

[Text] The Feliciano Ama Western Front announces that the measures adopted by the FMLN [Farabundo Marti National Liberation Front] concerning the cattle owned by landowners Arcadio and Mario Peraza of Metapan, resulted from these gentlemen's refusal to lease their lands to local peasants, and their disregard for the quota of 50 colones per manzana decreed by the FMLN.

The Ama Western Front likewise reports that it had informed these gentlemen that if they failed to fulfill their quota of leases, the FMLN would adopt measures against them.

The FMLN warns all landowners [words indistinct] land leases. We congratulate those landowners who, aware of the crisis the peasants are experiencing, have fulfilled the FMLN's demands by establishing fair and reasonable quotas. [words indistinct]

### FMLN Reports Clash With Honduran Troops

*PA1706012089 (Clandestine) Radio Venceremos in Spanish to El Salvador 0024 GMT 17 Jun 89*

[Text] We begin our military reports with news from Chalatenango Department. Please pay close attention: Honduran troops have penetrated Salvadoran territory. The troops entered through the Arcatao area and attacked Farabundo Marti National Liberation Front [FMLN] guerrilla units. The guerrillas responded with gunfire and inflicted one casualty on the Honduran Army.

The report indicates that at 1830 on 15 June, Honduran Army units entered Salvadoran territory in [name indistinct], El Pepeto, Arcatao Jurisdiction, Chalatenango Department. They attacked FMLN guerrilla units, which responded with gunfire to the attack and inflicted one casualty on the Honduran Army.

Appealing to the Honduran people and to international organizations, we condemn this open violation of our sovereignty and this disregard for the human rights of civilians, whose lives were endangered by the Honduran Army's attack on [name indistinct]. We urge the Honduran Armed Forces and Government not to get involved in the Salvadoran conflict.

### Roundup of Rebel Political-Military Actions

*PA1706170489*

[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2200 GMT on 11 June carries a 7-minute roundup of rebel political and military actions for the period 4-10 June.

The report states that "the FMLN [Farabundo Marti National Liberation Front] inflicted a total of 242 casualties on the enemy, including a Bracamonte Battalion commander, a Bracamonte Battalion 5th company commander, a Morazan Battalion captain, one pilot, one copilot, two lieutenants, one sergeant, and one corporal." In addition, the report adds, "one soldier was captured and later released."

The station then reports the most outstanding antiaircraft actions during the past week, stating that "one helicopter was downed in the Suchitoto area and four others were damaged on various battlefronts." The announcer says that among other outstanding actions were "the destruction of a military vehicle and three garrisons."

The report then mentions various sabotage actions against the electricity system, claiming 33 actions against electricity and communications lines, two attacks on the National Administration for Telecommunications, ANTEL, facilities, and an attack on a railroad bridge. The report also lists sabotage actions against "properties belonging to the dictatorship's exploiters and agents."

The report ends by stating that a number of weapons were seized, including "34 M-16 rifles, 1 G-3 rifle, 5 M-14 rifles, 15 carbines, 1 Czechoslovak rifle, 1 rocket launcher, 1 M-79 grenade launcher, 9 M-18 Claymore mines, 8 hand grenades, 3 PRC-77 radios with three replacement batteries, 2 binoculars, two small arms, 3,548 rounds of ammunition for 7.62-mm rifles, and a large amount of war materiel."

## Guatemala

### Government Rejects Amnesty International Charges

*PA1806193389 Guatemala City PRENSA LIBRE in Spanish 16 Jun 89 p 15*

[Text] In a statement issued by the Presidential Public Relations Secretariat, the Guatemalan Government has denied charges by Amnesty International that death squads operate in Guatemala.

The statement states that the Guatemalan Government once again strongly rejects any impudent charges against its democratic system.

The government feels that the report presented by alleged researcher Tracey Ullvit-Moe lacks truth and that the information included in the report is intended to confuse international public opinion.

There is no proof that the current government has harmed peasants, political leaders, members of labor unions, clergymen, teachers, or students, the statement adds.

The statement says there is absolute freedom of education and religion. There are some isolated cases of human rights violations, it adds, but it is not government policy to violate these rights. The statement concludes by stating that these isolated incidents of human rights violations are beyond the control of the state security organizations.

### Archbishop Reports Threats From Right Wing

*PA1806201689 Guatemala City LA HORA in Spanish 14 Jun 89 p 8*

[Text] Guatemala City Archbishop Prospero Penados del Barrio has received several threats from right-wing political groups that are demanding he end his alleged involvement with the Guatemalan National Revolutionary Unity (URNG).

Referring to the subject, the Catholic Church prelate said "the right wing has lost power in Guatemala; it feels lost, and for this reason it has resorted to violence." The archbishop thus hinted that the right wing could be responsible for the threats he has been receiving recently.

In a reference to the election campaign, Penados del Barrio said the violence currently affecting the Guatemalan people erupts every time a development of great significance draws near. Penados del Barrio said, however, that the real causes of the violence are the country's social deterioration, the unequal distribution of wealth, and other economic and social factors such as unemployment, low wages, and widespread frustration among the Guatemalan people.

Archbishop Prospero Penados del Barrio added that the pastoral letter entitled "The Cry for Land" issued by the Guatemalan Episcopal Conference is one of the reasons he is now accused of being a "communist" and of working for the rebel leaders. The archbishop said these charges are "offensive."

Penados del Barrio seemed to downplay the anonymous threats he has received this week. The prelate said he is devoting all his time to his religious activities and to preaching faith among the people, who need spiritual consolation because of the anguish caused by the current crisis.

## Honduras

### Lopez Contreras on Contra Relocation

*PA1606133989 Buenos Aires REUTER in Spanish 0009 GMT 16 Jun 89*

[Text] Tegucigalpa, 15 Jun (REUTER)—It was announced today in Honduras that the demobilization of the anti-Sandinist rebels encamped in Honduran territory depends on negotiations between the rebels and the Nicaraguan Government.

Honduran Foreign Minister Carlos Lopez Contreras said today: "If they (the Sandinists) are not willing to hold negotiations to allow the demobilization of the contras and their relatives, this will make it difficult to get cooperation from the other Central American governments."

Lopez Contreras' words seemed to reflect an important change in policy [words indistinct] following U.S. Vice President Dan Quayle's visit here this week, according to observers.

During a summit in El Salvador in February, the Central American presidents agreed to draft a plan to demobilize the Nicaraguan rebels in exchange for Nicaragua's guaranteeing honest elections in 1990. However, the initiative was never conditioned to a dialogue between the Managua government and the rebels, an argument which has never been raised until now, the observers added.

Honduran territory serves as the base for approximately 12,500 contras and their relatives, who are located in the eastern part of the country and receive humanitarian aid from the United States.

The Central American presidents must meet again in Honduras in July to evaluate the progress of democratization in Nicaragua and to approve the demobilization plan.

Lopez Contreras also rejected a Nicaraguan protest over the meeting here between Quayle and contra leaders, including contra military leader Enrique Bermudez. "I believe that this is an absolutely groundless protest," the Honduran diplomat said, adding that his country's government knew nothing about the meeting held at the U.S. Embassy in Tegucigalpa.

Nicaragua sent a protest note to Honduras on Wednesday protesting the meeting, emphasizing that the country still allows "the use of its territory for the implementation of illegal policies which negatively affect the Central American peace process."

The Sandinist government has denounced an increase in rebel activities in recent months. Last week the Nicaraguan Defense Ministry said that a rebel commando unit attacked the country's main hydroelectric dam, located in Jinotega, resulting in slight damage.

In addition, Lopez Contreras said that Honduras is willing to return to Nicaragua a Sandinist Air Force Mi-25 helicopter, which has been in Tegucigalpa since December. Nicaraguan Captain Edwin Estrada arrived in Honduras aboard the helicopter on 7 December requesting and being granted political asylum. Nicaragua has repeatedly demanded the return of the aircraft. "We cannot return what we have not taken, but we can deliver what was illegally brought here; and that will be done according to international law and in due time," Lopez Contreras said.

### LA PRENSA Editorial Warns of Economic Chaos

*PA1906142389 San Pedro Sula LA PRENSA in Spanish 15 Jun 89 p 7*

[Editorial: "What About the Emergency Law?"]

[Text] The weeks and months have gone by quickly since the IMF and the World Bank representatives arrived in Honduras in early 1989. They came to the country, invited by our government, to seek an agreement designed to adequately confront the economic crisis that affects our country.

Despite all that has been said and several visits by the representatives, it has not been possible to conclude the agreement that was left on the back burner in 1983, when the existent document was invalidated after Honduras failed to meet its obligations.

In essence, the so-called "standby" agreements represent a transaction between debtor countries and the aforementioned financial organizations in which the debtor countries agree to make structural changes to their tax and administrative policies in an attempt to recover

their solvency and the IMF provides them with a guarantee that will open new financing sources, usually from the World Bank. As far as Honduras is concerned, it is already evident that it will need to increase its fiscal revenues by approximately 100 million lempiras and reduce its public spending to avoid a devaluation and promote an economic recovery.

However, saying it is one thing, doing it is something quite different. To increase the country's revenues, new taxes must be established (despite the name you may wish to give it, you will always come up with the word taxes), and a reduction in public spending entails reducing bureaucracy, which in plain language means firing people and increasing unemployment. Such actions have a high social cost.

Tax reform will, most probably, make the price of basic products go up and inevitably cause inflation.

Things being the way they are—an election year—the politicians have been postponing a solution and the main problem remains unsolved.

However, the country's economic situation is so desperate that it is impossible to just sit back and ignore the threat of a real economic disaster.

In light of this situation, Congress President Carlos Montoya has announced that an economic emergency law will be discussed shortly. This law will contain fiscal, monetary, and administrative measures that, at least in theory, will help us avoid disaster.

In its editorials, LA PRENSA has been saying that it is not advisable to ignore the problem any longer. As a matter of fact, the scarcity of dollars is reaching truly alarming levels and reliable sources have even said that there is no money to buy medicine.

Therefore, we call once again on the members of the National Congress, on the economic and monetary authorities, and, above all, on the president, to immediately, sensibly, and realistically discuss and approve the so much spoken of economic emergency law to open the doors to an agreement with the IMF and the World Bank.

It will not be easy to accept, but we must ask ourselves: Which is worse, swallowing the medicine and preventing death, or refusing sacrifice and condemning ourselves to certain death? Recalling the words of a turn-of-the century commentator: the situation cannot be repaired with makeup [no esta la Magdalena para tafetanes]. The truth is, there is no money, exports are minimal, the burden of the foreign debt is overwhelming, and our lines of credit with foreign countries are closed.

Not only is there no money, there is also very little time before disaster occurs. Let us act prudently and vigorously and before chaos strikes.

## Nicaragua

### Ortega Honors San Jose Oriental Martyrs

*PA1806021089 Managua Domestic Service in Spanish 2236 GMT 17 Jun 89*

[Speech by President Daniel Ortega at ceremony in Managua's San Jose Oriental neighborhood to honor martyrs of the Sandinist revolution from the neighborhood; broadcast in progress—live]

[Text] ... Are you not bothered by the rain? [crowd answers: "No."] Do we need rain? [crowd answers: "Yes."] It is better that we get wet. We need the rain for the planting, for the crops [words indistinct] then the maize, the beans, the wheat, and the sorghum.

However, we are here to render homage to comrades who lost their lives before and after the victory of the revolution. We are rendering homage to them this afternoon. We have delivered these land titles in their honor and memory because the revolution was waged for the sake of the poor.

The inhabitants of Managua's districts fought because they wanted a change in Nicaragua that would give them the right to be free. Freedom is not a simple word. It is accompanied by deeds, and the revolution has been promoting deeds, like when it delivers land titles to the communities, to the people in the neighborhoods, to enable them to own a piece of land and build their homes in them.

You know, before the victory of the revolution it was not easy to own a piece of land because of what it costs to become the owner of a piece of land. Everyone dreamed of owning a piece of land, of owning a small lot. Everyone said, I want to have a small lot to build a house there. This was not possible before, because those who owned the land were the rich people, the capitalists, the ones who had become rich under the Somoza regime. They did not want to share their wealth with the poor. They were not prepared to give the poor a piece of land. The revolution makes it possible to turn these lots over to the workers, to the humble people, to the people of the neighborhoods.

This is our best speech today. It is our best homage to those who fell fighting the Somoza dictatorship 10 years ago during the insurrection in Managua, which was followed by the heroic retreat. Many comrades, many young people died fighting in this neighborhood. More young people have fallen these past years defending the people's interests, defending the peasants' right to own land, defending the right of the people in the cities, the neighborhoods, to own a piece of land, to own a lot, to own a home, and defending our homeland's sovereignty. A total of 57 comrades, 57 brothers, 57 heroes and martyrs from this neighborhood sacrificed their lives to defend the revolution, to defend our homeland.

We are rendering homage to them today by making their dreams come true, by not betraying the blood they spilled, by being consistent with the principles they defended. We have here with us representatives of the heroic mothers of these 57 comrades, of these 57 brothers who sacrificed their lives for the poor, for the humble, for the workers, for the revolution.

This is true democracy, true freedom. This is not the democracy advocated by the Yankees, the democracy advocated by the rightwing, the democracy advocated by the counterrevolutionaries. This is not the democracy advocated by the rich or by the capitalists. That is not democracy. They want a dictatorship like they had during Somoza's time against the Nicaraguan people, against the poor, which denied the people the right to an education. They do not want the poor to become educated; they do not want the poor to have anything. This was, let us say, the experience we, the poor, had with these people, with those who are today demanding their own type of democracy, which is not democracy.

Over the past few days, U.S. Vice President Quayle visited four Central American countries. He visited El Salvador, Guatemala, Costa Rica, and Honduras. Do you believe Mr Quayle was doing anything good? What do you think? Do you think Quayle was doing anything good? Was he perhaps working for peace? What do you think? [Crowd gives indistinct answers.]

He is not working for peace. He is looking for ways to further harm the Nicaraguan people. He has talked with the Guatemalan, Salvadoran, Costa Rican, and Honduran presidents trying to get them to make statements against the Nicaraguan people, against the Nicaraguan Government. To get this, he pressured them, he blackmailed them. He told those governments: If you do not make these statements, we will not give you any money; we will not give you any aid. They want to extract more statements against Nicaragua to justify their policy of death, of terrorism, against the Nicaraguan people. [Crowds chants indistinct slogans.]

Logically, we condemn this attitude of the U.S. vice president, who came here and went around carrying this kind of message, which contributes nothing to the Central American people's demands for peace and democracy.

Moreover, the U.S. Government is saying that in Central America there are four democracies and one dictatorship, that of Nicaragua. We would say the exact opposite—that there is democracy in Nicaragua and that it remains to be seen if there is democracy in the other Central American countries, where the poor are oppressed, where the workers are oppressed, where priests and bishops are murdered.

This Mr Quayle arrived in El Salvador and said that El Salvador is a democracy. We do not want that kind of democracy. It was those who are now governing El Salvador who killed a bishop—Monsignor Romero. Could it be that the Yankees want us to have a government that will kill religious people or priests, like the Salvadoran Government has done, and as the people currently governing El Salvador have done? To justify their crimes, they want to give Nicaragua the image of a country that is attacking El Salvador, when we know perfectly well that it is the Salvadoran Government and the people who are governing El Salvador who have attacked and murdered the Salvadoran people.

Of course, since the Yankees pursue this policy against Nicaragua, we find a similar attitude among the rightist groups in our country, as in the newspaper of the GN [National Guard—alluding to newspaper LA PRENSA]. The newspaper of the GN immediately repeats what the Yankees say. The local rightist parties immediately repeat what the Yankees say, because they receive money from the Yankees and are not interested in giving benefits to the Nicaraguan people. What they want is to play the game of the Yankee policy.

The Yankees have reached an extreme in trying to manage the electoral process in Nicaragua. We are bent on holding elections in Nicaragua again. We want to be able to hold elections in February 1990 like those we held in 1984. However, the Yankees want to meddle and say how the elections must be held, to organize the entire electoral process, using the rightist parties and U.S. organizations. This is not possible. We cannot permit it.

They want to come here and do what we Nicaraguans have to do. It is our obligation as Nicaraguans to decide how we will hold our elections. We would not go to the United States to discuss how the U.S. people have to hold their elections. It would be absurd. We would not go to another country to say how they have to hold their elections. Therefore, they have no reason to come here and tell us how we have to hold the elections. We Nicaraguans decide that and the Yankees, Bush, U.S. Vice President Quayle, and the international community have to respect our decision. We are not going around telling Venezuelans how they must hold their elections.

We do not tell Costa Rica, or any other Latin American country, or the Europeans what to do. We ask governments for technical support, but technical support is one thing and coming here to direct the electoral process is another. We are not asking for intervention in electoral matters. We have asked the OAS to play the official role of observers in this electoral process—of observers. This means they will watch the process and later issue an opinion on the electoral process.

However the Yankees simply want to meddle in everything and some heads of state also want to meddle in everything in Nicaragua, when they should actually concern themselves with how things are in their respective countries, where they have big problems. When Vice President Quayle arrived here, the Costa Rican president began making statements against Nicaragua when he has big problems in Costa Rica—when Costa Ricans

are being accused of accepting money from drug traffickers for their election campaigns. There is a big stir in Costa Rica, and we did not start it. This scandal arose right there in Costa Rica. We do not want a democracy of drug traffickers. We do not want that kind of democracy. We want a people's democracy, a democracy of the workers, of the laborers, of the humble people; a democracy of Nicaraguans, for Nicaraguans. [applause]

The Yankees have tried to meddle in everything here, and we are not going to permit that. We have already demonstrated this when we ousted Ambassador Melton, and we demonstrated it when we ousted other U.S. officials who went to Chinandega and tried to manipulate the teachers. So, we have found ourselves obliged to suspend an authorization we had granted to U.S. citizens, which allowed them to come to Nicaragua without a visa. Now, any American who wants to come to Nicaragua will have to get a visa. Any Nicaraguan wishing to travel to the United States has to ask for a visa. [applause] We are not doing this against Nicaragua's friends, the majority of the U.S. citizens, the majority of the U.S. people. We are doing this to restrict the entry of U.S. citizens, to keep U.S. officials from abusing Nicaragua's hospitality. Since they did not have to get a visa until yesterday, any Yankee could come and leave Nicaragua whenever he wished, as if he owned the place.

We will not allow this any more. We will not allow it, and are simply establishing regulations in our diplomatic relations with the United States, with which we do not have friendly diplomatic relations, because a government that is harming another government is in no way friendly. We want to maintain friendly relations with the United States, but it wants to pursue a warmongering policy, a policy of death against the Nicaraguan people.

Comrades, brothers, in this neighborhood there are eight comrades buried who fell fighting the Somozist dictatorship. Four of them are anonymous heroes—they are buried here, they were from other neighborhoods and no one knows who they were. The other four comrades, we and their families know who they are. We are paying homage and will end this ceremony by paying homage again to all 57 brothers who fell in the fight against the Somoza dictatorship and those who fell fighting after 19 July, defending the revolution.

We must remember that we shall always shout present to our heroes and martyr comrades of the eastern San Jose neighborhood. Jorge Luis Orozco Garcia, [crowd shouts present after each name is called], Francisco Ortega Garcia, Jose Alberto Velasquez, Genaro Oporta.

Long live the eastern San Jose neighborhood! [crowd shouts: Long live]

Long live the Nicaraguan people! [crowd shouts: Long live] Long live the Nicaraguan workers! [crowd shouts: Long live] Long live the Nicaraguan poor! [crowd shouts: Long live]

Free fatherland or die!

## Army Chief on Escalation of U.S. 'Aggression'

*PA1606233589 Managua Sistema Sandinista de Television Network in Spanish 0200 GMT 16 Jun 89*

[Report on statements by Colonel Hugo Torres, chief of the Sandinist People's Army, by unidentified reporter in Managua—date not given]

[Text] Colonel Hugo Torres, chief of the Sandinist People's Army [EPS] Political Directorate, this afternoon warned of a possible escalation of the U.S. aggression. The EPS also reported new actions by the counterrevolution.

Col Torres said that the possibility of further aggression still remains, including an intervention by Yankee troops with the participation of over 140,000 U.S. soldiers, who have been continually training through military exercises in Honduras.

[Begin Torres recording] This does not include their elite units that usually participate in interventions of this nature, such as the 82d Airborne Division that invaded Grenada, the 101st Airborne Division, the 75th Rangers Regiment, etc, etc. [end recording]

Col Torres also noted that the return to the country of some counterrevolutionary leaders is part of the U.S. plan to take advantage of the current political situation.

[Begin Torres recording] People should not pay attention to them no matter how much they talk about civic duty and their desire to participate in the civic struggle. They are now saying they are no longer counterrevolutionaries. They are still counterrevolutionaries and we defeated them militarily. They have never stopped being counterrevolutionaries. The U.S. Government has been pressuring them to return to the country in an attempt to benefit as much as possible from the current political situation. [end recording]

In view of this, Col Torres urged the Sandinist Youth Vanguard Cubs, who were demobilized from the 5th Contingent, to join the new defense operations.

## U.S. Citizens Need Visas Effective 1 July

*PA1706164389 Panama City ACAN in Spanish 1610 GMT 17 Jun 89*

[Text] Managua, 17 Jun (ACAN-EFE)—The Nicaraguan Foreign Ministry announced today that U.S. citizens will need visas to visit Nicaragua effective 1 July.

After the 1979 Sandinist victory, the Nicaraguan Government established that U.S. citizens did not need a visa to enter this Central American nation.

"Effective 1 July, all U.S. citizens must have a visa to enter Nicaragua," a brief communique published in the Managua newspapers stated today.

The communique added that the visas will be issued in the Nicaraguan consulate in Washington and in other countries, where those interested can learn about the requirements for obtaining the visas.

The Nicaraguan Foreign Ministry also notified the airlines and the general public about the measure to regulate the entry of U.S. citizens into Nicaraguan territory.

Opposition sources commented that the Sandinist government's measure is aimed at trying to prevent entry into Nicaragua of U.S. citizens interested in learning aobut the development of the Nicaraguan electoral process, which will culminate in the February elections.

Joaquin Mejia, vice president of the Independent Liberal Party (PLI), said over a private station in Managua that the measure will also be negative for the development of tourism in Nicaragua.

## Arce Denies Training Commando To Kill Porth

*PA1706132089 Managua Radio Sandino in Spanish 1242 GMT 17 Jun 89*

[Text] Nicaragua has denied any links with the assassination of Salvadoran Presidency Minister Antonio Rodriguez Porth 8 days ago, an allegation made by the Salvadoran Army. At a news conference, Commander Bayardo Arce, vice coordinator of the Executive Commission of the ruling Sandinist National Liberation Front, FSLN, termed irresponsible the charges made in San Salvador that Nicaragua trained the commando who killed Rodriguez Porth.

Arce said: We lack the experience for such attacks and therefore could not have trained anyone. He recalled that the FSLN never resorted to that type of action during its struggle against the dictator Anastasio Somoza, who was overthrown in 1979.

The Salvadoran Armed Forces have claimed that Rodriguez Porth was killed by a Farabundo Marti National Liberation Front commando trained in Nicaragua. However, that guerrilla group has denied any responsibility for the action.

Arce also denied that Nicaragua has sent weapons to Panama when tension with the United States increased last month, as reported in the U.S. media. I am not surprised by those statements, Arce said, adding that the United States continues its efforts to discredit the Nicaraguan Government with such lies.

## Editorial Considers Return of Contra Leaders

*PA1906131489 Managua BARRICADA in Spanish 14 Jun 89 p 3*

[Editorial: "Same Contras, Different Clothes"]

[Text] For the dual purpose of maintaining the military threat and promoting political destabilization against Nicaragua, the United States has kept the main body of the mercenary forces in Honduras intact and has started to deploy "civic" contingents of contras to the interior of the country.

As the CIA usually does when laundering its dollars, the Agueros [Fernando Aguero Rocha, member of the Nicaraguan Conservative Party in exile], [Azucena and Roberto] Ferreys, and [Alfredo] Cesars are legitimizing their illegally obtained money by putting on innocent faces, taking off their contra chiefs' jackets, and joining the "civic" struggle. However, clothes do not make the man. No matter how much make-up the unarmed contras put on their faces, even though they have accepted amnesty and have expressed their willingness to abide by the laws and the Constitution, the truth is that their umbilical cords still tie them to the crimes committed by the contras and to the U.S. Government's terrorist policy.

Despite all the retouching done by the National Guard's [LA PRENSA] newspaper, behind the contras political faces one inevitably and repeatedly sees the faces of former Somozist guardsman [Enrique] Bermudez and his mercenaries. Time and time again we see their bloodstained hands involved in the foreign aggression that has claimed many lives in the past and continues to claim more on a daily basis.

If the Bush administration's new tactic of maintaining armed contras in Honduras and infiltrating "civic" contingent members [civicos] into Nicaragua has helped it obtain bipartisan consensus and combine the "carrot" and the "big stick" policies, as far as the Nicaraguan people are concerned, the enemy remains the same despite the new redistribution of posts within the contra directorate.

It makes no difference to the Nicaraguan people if they have to fight contras who cross the Honduran border every day to murder defenseless civilians and attack economic targets or contras who come with the mission of politically destabilizing the country.

It would be useless for the contra leaders who recently returned to the country to resort to their manual of already known operations and to their old alliances with the extreme right. The mere fact of having traveled from their Miami general headquarters to Managua does not exempt them of the responsibility for the deaths of the more than 50,000 persons the aggression has claimed nor does it wash off their guard faces behind which they have operated all these years.

### Contras Reportedly Continue To Kill Peasants

*PA1706225689 Managua EL NUEVO DIARIO in Spanish 16 Jun 89 p 6*

[Excerpt] Mercenary groups entering from Honduras continue to kill and kidnap peasants. They use ambush and sabotage tactics, disregarding the lives of children, women, and the elderly, according to our correspondents.

A Defense Ministry bulletin issued on 13 June, reveals that during the contra criminal actions, EPS [Sandinist People's Army] troops killed eight mercenaries between 8-11 June.

On 8 June, during an attack in Loma Grande, northeast of El Almendro, Rio San Juan, three contras were killed.

At Palmita Hill, northeast of Nueva Guinea, a contra was killed and three AK rifle ammunition clips were taken. Also at El Almendro, in the El Buen Pastor area, two contras were killed and two AK rifles were taken. On 11 June, at Cano Molinares, southeast of Atlanta, on the Atlantic coast, two other contras were killed during an attack.

The Contras carried out a surprise attack on the village of San Ramon, killing four members of the San Jose Production Cooperative. [passage omitted]

### Spain Presents Donations to Government

*PA1906134589 Managua Radio Sandino in Spanish 1200 GMT 17 Jun 89*

[Text] The Spanish Government has donated and delivered approximately $30.3 million in aid to the Nicaraguan Government to meet the needs of the social, industrial, agricultural, transportation, and construction sectors.

Following Hurricane Joan, the Spanish Government delivered emergency assistance of approximately $450,000 in goods, including medication, powdered milk, and tents. As a result of the Stockholm meeting, Spain granted $10 million dollars in liquid assets. Spain also donated 300 million pesetas, equivalent to $2.5 million, annually for 3 to 4 years. Likewise, a debt reorganization document was signed this year whereby Spain wrote off one-third of Nicaragua's debt.

Spanish Ambassador Miguel Angel Fernandez presented a symbolic delivery of the 1988 [date as heard] food donation to the general manager of ENABAS [National Enterprise for Staple Foods], Commander William Ramirez. The donation consisted of 600,000 cans of sardines and 1,500 barrels of sunflower seed oil. Commander William Ramirez received the donation on behalf of the government and reported that the oil and the sardines will be used to supply the Atlantic coastal area and the 3d Special Area for 2 months. The sardines will be used to boost the [word indistinct] package, representing supplies for 184,000 persons, and the oil has been designated for consumption by the people of Managua for a month.

### Cesar Unable To Attend International Congress

*PA1606231889 Panama City ACAN in Spanish 2134 GMT 16 Jun 89*

[Text] Managua, 16 Jun (ACAN-EFE)—Political sources in Managua have reported that former contra leader Alfredo Cesar, who had planned to attend a Socialist International [IS] congress in Sweden 18-21 June, could not travel today because he did not have a passport.

Cesar, 38, former member of the Nicaraguan Resistance [RN] who returned to Managua on 11 June after 7 years in exile, was a member of the Social Democratic Party [PSD] delegation that was to attend the IS meeting.

"Despite all efforts, the Sandinist authorities did not deliver the passport to Cesar and gave no explanation for it," PSD Vice President Adolfo Jarquin told ACAN-EFE.

A Sandinist radio station, which quoted a source in the Interior Ministry, said the passport was not delivered to Cesar because the 10 days for the transaction of the document had not yet elapsed.

Jarquin said the Interior Ministry, by not delivering the passport to Cesar, "is hindering the PSD's negotiations to become a full-fledged IS member."

The source said the party is drafting a communique warning the IS leaders against "letting themselves be pressured by the Sandinist National Liberation Front [FSLN] and urging them to back the PSD's civic struggle."

Since 1981, the PSD has been negotiating its IS membership but has been unsuccessful so far.

The government party FSLN regularly sends a delegation to the IS congress as observer.

Cesar said on 11 June that because the FSLN has not decided to request full IS membership after 10 years, the PSD has decided to request its own membership in the international organization, which is composed of socialist and social democratic parties.

The PSD delegation that will attend the IS congress in Stockholm is composed of party President Guillermo Potoy and National Organization Secretary Carlos Hurtado.

### Arce To Attend Congress

*PA1706181789 Panama City ACAN in Spanish 1549 GMT 17 Jun 89*

[Text] Managua, 17 Jun (ACAN-EFE)—It was reported today in Managua that Nicaraguan Commander Bayardo Arce [vice coordinator of the Sandinist National Liberation Front (FSLN) Executive Commission] will head the ruling FSLN's delegation, which will travel to Sweden to participate in the 20-22 June Socialist International (SI) Congress.

The FSLN's Agitation and Propaganda Department reported today that Arce will take advantage of his Stockholm visit to meet with SI heads of state and European leaders. On 16 June, before leaving for Sweden, the revolutionary leader lashed out at anti-Sandinist leader Alfredo Cesar, who has criticized the Nicaraguan Government for failing to issue him a passport on time to travel to Stockholm.

Cesar had planned to travel to Sweden on 16 June with Guillermo Potoy, president of the Social Democratic Party (PSD), to request full membership in SI for that party.

Cesar, formerly a member of the Nicaraguan Resistance Directorate, announced his intentions to go to Stockholm 4 days after returning to Nicaragua to participate in the 1990 elections.

Cesar said that the government failed to issue him a passport on time and described the incident as a "boycott" against the PSD's efforts to gain membership in the International Social Democratic organization.

Bayardo Arce, one of the ruling party directorate's nine commanders, rejected Cesar's charge, explaining that the anti-Sandinist leader wants the government to issue him a passport in less than the 10-day period allowed under the law. Arce added that "only diplomats accredited in Nicaragua and top government officials are issued passports in less than the 10 days allowed by the Nicaraguan Immigration Department."

Arce pointed out that "Cesar, the counterrevolutionary leader, has returned to Nicaragua to demand gifts and privileges, as if it were not enough to be able to bark at (criticize) the government through the media."

The Sandinist leader doubts that the SI would accept Alfredo Cesar as a member, because "to gain membership, the SI must first issue Cesar an invitation in order to become acquainted with him."

Arce said that Cesar has "loitered" at SI meetings before, adding that the party in question (the PSD) has unsuccessfully been trying to acquire SI membership for years (since 1981). The FSLN is an observer at the SI.

## Commander Arce: Workers Have Right To Strike

*PA1906132589 Managua Radio Sandino in Spanish 1200 GMT 17 Jun 89*

[Text] Strikes have had a certain effect on the economic policy we have been forced to accept, and it is not easy to assimilate, Commander Bayardo Arce Castano has said. Speaking on the reaction of the various sectors of the country concerning economic problems, Arce Castano said that the right to strike is a right of the workers and a revolutionary instrument that calls for a revolutionary response.

[Begin Arce recording] There are very clear laws here, and the Ministry of Interior and the Sandinist police enforce these laws. I believe that if there are illegal actions here and individuals who promote illegal actions, then the law should be applied to these individuals. I believe that the Somozist guards, who are very cynical, should be more careful. We must recall that the Constitution of the Republic establishes that the Somozists should [words indistinct].

We believe that strikes have a certain [word indistinct]. The economic policy that we have had to impose on ourselves to cope with the effects of the 8 years of destruction and war that have left over $15 billion in damage is logically an economic policy that is not easy to assimilate. When an economic program is enforced, the first reaction of certain sectors is not to understand it, not to assimilate the scope of these measures. Unfortunately, the rightist forces and the U.S. Embassy have tried to take advantage of this to create a state of destabilization in the country.

We must recall that there have been strikes throughout these 10 years of destabilization. I do not believe there has been a single year, not even a 3-month period, when there has not been a strike somewhere—in the sugar mills, in the textile factories, and so on. We consider strikes to be a right of the workers, a right included in the Constitution and an instrument that revolutionary workers use in the revolution. When there have been problems involving strikes and other forms of stoppages, the leaders of the revolution have always gone to talk with the workers and study solution formulas.

This is what the people do. When there are discussions with the government, there are always solutions. However, what these agents of U.S. Embassy and their employees—the rightist parties—are pushing now is that there should be no dialogue to find solutions, but rather illegal actions to try to achieve political gains. [end recording]

Commander Arce Castano also referred to the economic crisis, pointing out that the battle against inflation has not been lost. He explained that the rise in inflation this month was due to the flow of financial resources for the harvests. He also took into consideration that the government relies on foreign resources to support the program, but that so far this has been done only in terms of approval, and not implementation. We trust, Arce said, that we will be able to ride out the storm.

## State Security Arrests LA PRENSA Employee

*PA1706010989 Managua Radio Corporacion in Spanish 2350 GMT 16 Jun 89*

[Report by Adolfo Pastran Arancibia]

[Text] We were informed just a few minutes ago that Maximo Guillermo Alonso, LA PRENSA newspaper correspondent in Leon, was dragged away from his home

in Leon by state security authorities at 1600 today to an undisclosed location. We received this information from the son of the arrested journalist, whose whereabouts at this time is not known.

### Msgr Carballo Interview on Independent Media

*PA1806033089 Managua Radio Catolica in Spanish 1130 GMT 16 Jun 89*

[Interview with Radio Catolica Director Msgr Bismarck Carballo by unidentified reporter; date and place not given—recorded]

[Text] [Carballo] I believe that not only the independent media, but also civic organizations are targets. They have been attacked through the government media. I believe that civic organizations and the independent media deserve respect.

I believe that if the aim is to end the war and the military path, the media that follow orders from the Agitation and Propaganda Department should also avoid blocking civic alternatives.

Today, we read a malicious article in BARRICADA designed to create confusion concerning the financing that some organizations could or do receive. I believe that, confronted with the Nicaraguan reality, we cannot talk about absolute economic autonomy. Neither the government nor its media can claim such a thing, because we have read in their own newspapers that government organizations, for example communist organizations, are helping and sending them donations of equipment. Recently, those media reported that a ship from Switzerland or some other intermediary country, brought radio equipment for use on the Atlantic Coast.

Thus, to a certain extent, the media are not autonomous. Foundations that help the media do their job, to have their presence felt and [word indistinct]. Therefore, I believe that respect should prevail to prevent the kind of slanderous statement designed to imply that this or that organization has sold out. I do not believe this is appropriate at this juncture, because there should be some respect and, we could say, some independence.

For example, the [word indistinct] organization has been mentioned. Without assuming the role of defender, I wish to point out that this is a U.S. congressional organization that works in the open; all media have access to its work. This is why I find it strange that it is being said that this is a [word indistinct] confidential report, when the media has access to it in the United States.

[Reporter] Given the current situation, can the media survive economically solely through commercials?

[Carballo] That is the ideal. In Nicaragua's case, there are various factors at play: first, the country's economy is completely in ruins; second, our currency is useless for buying spare parts, because, as you know, we cannot even buy a plane ticket to travel abroad with Nicaraguan currency. Therefore, a currency not circulated in our country is needed; third, the government is the major recipient of advertisements, because companies can buy advertising in government media and are specifically instructed not to spend money on independent media.

We could say that the independent media needs help to be able to operate. The government should be honest about the fact that its media operate thanks to donations from foundations that sympathize with the Nicaraguan Government. In this regard, and on behalf of Radio Catolica, I wish to say that we have never denied that we have received aid from the German Catholic Chruch. In fact, our equipment was donated by German Catholic bishops. The church's station has been forced to resort to subsidies and aid to survive.

This does not mean that Radio Catolica is prosperous; it means that we are taking care of the little that the station has so that it can remain on the air for a long time.

I believe, in all honesty, that it would be very difficult for a radio station—our country's economy being what it is and with the polarization created by the government—to speak of self-financing. It would be difficult.

[Reporter] Does this mean that under the current circumstances, the independent media must relinquish its role as nationwide reporters? Take Radio Catolica, for example. I assume it plans to broadcast nationwide. Should a station like this completely relinquish that goal, or should it continue to struggle for support, or rather, more support?

[Carballo] The church's moral values preclude acceptance of the attitude that "the end justifies the means." The church believes a good end requires a good means. We have thus been very careful to seek aid only from organizations that the government cannot single out as malicious. Any accusation the government levels against Radio Catolica concerning [word indistinct] is absolutely false, because Radio Catolica is not receiving any aid whatsoever from the U.S. Government. Various Catholic organizations have stated this and the government is aware of it because all of our funds are deposited in the bank and the government benefits from the foreign exchange.

Radio Catolica has not and will not relinquish its goals. As stated in Vatican Council II, the church has a right to use and own media like any other organization. In a free society, the church is entitled to such a resource, which it needs to serve the community.

### Wheelock on Impact of New Economic Measures

*PA1706014989 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 Jun 89*

[Text] Agricultural Development Minister Jaime Wheelock Roman said today producers have positively received the new economic measures. Wheelock added that the measures will boost the production of agricultural export goods and farming activities in general.

At a news conference, Wheelock said that in general, the new exchange rate of 20,000 cordobas per dollar will encourage the production of crops for export. He said delegates representing various agricultural export products analyzed the recent measures announced by the government and at the same time expressed their concerns.

[Begin Wheelock recording] We believe that in general, the new official exchange rate of 20,000 cordobas per dollar will favor export crops. Therefore, it should be a positive factor to encourage the production of cotton, sesame seed, peanut, and other export goods.

There is concern over the possibility that the profitability of this activity could be affected by unpredictable changes in tariffs and in the price of some imported goods that have an affect on production costs. [end recording]

Wheelock said price adjustments of products such as meat, sugar, and rice have been moderate.

[Begin Wheelock recording] Regarding sugar, although measures have been harsh—particularly the increase in the foreign exchange rate, which will result in an inflation rate of 140 percent in June—sugar prices will actually increase approximately 60 percent. In other words, the price of sugar will increase from about 230 to 350. In the case of meat, the increase will also be approximately 60 percent, from 4,816 to 7,900.

As for rice, producers have not increased prices for the time being; however, they have noted that although they maintain the price per quintal at 273,000 cordobas, the price in the market has actually risen to approximately 400,000 cordobas. In other words, some merchants are buying this product at 273,000 cordobas and are making a profit in the market.

The increase in the price of dairy products has been relatively moderate. Milk containing 3-percent fat has been increased from 3,000 to 4,000 cordobas, and milk containing 1.5-percent fat will go from 1,500 to 2,000 cordobas. National Dairy Industries Enterprise [ENILAC] will maintain the same prices for cheese. [end recording]

## PSC's Leader Ramirez Expelled From CDN

*PA1606131589 Managua Radio Corporacion in Spanish 2300 GMT 15 Jun 89*

[Text] Nicaraguan Conservative Party [PCN] leader Edmundo Castillo Ramirez said this afternoon that history and the Nicaraguan people will judge the Social Christian Party [PSC], headed by Erick Ramirez, because of its collaboration. The party was expelled yesterday from the Ramiro Sacasa Guerrero Democratic Coordinating Board [CDN].

Castillo said that the decision to expel the party from the CDN was taken by a vote of 12 in favor and one abstention. For the past several weeks, the PSC has been going against the political opposition. Castillo made the following statements for the "Five O'Clock Sharp" newscast:

[Begin recording] [Castillo] What happened was that 2 weeks ago, several members or parties were consistently opposed to obtaining legal status for other CDN member parties. I am specifically referring to the PSC, presided over by Erick Ramirez. This party was opposed to obtaining legal status for the PSC factions headed by Agustin Jarquin and by Eduardo Rivas Gasteazoro. Furthermore, this party had presented a list of candidates for the Electoral Tribunal which was different from the list being presented by the opposition. This situation came about approximately 2 weeks ago. Last week, the CDN directorate held a meeting and we brought up this issue.

We were very unhappy to see that the PSC headed by Erick Ramirez insisted that the other aforementioned PSC factions not receive legal status. Based on this basic issue, the PCN instructed me to request the indefinite withdrawal of Erick Ramirez' PSC from the CDN if the situation continued. Out of the 13 organizations, 12 voted in favor of withdrawing the party. The remaining organization—the PSC, represented by Luis Vega—voted against the withdrawal. Such a unanimous decision is very rare. This is what I can tell you for now.

[Reporter] Does this mean that Erick Ramirez has taken advantage of his position in the PSC to closely collaborate with the Sandinist government?

[Castillo] That is not an issue I can address. As Christ said, by their deeds you will know them. The Nicaraguan people will be the judges of the political parties' policies. They will determine whether the parties are accomplices or collaborators with the Sandinist National Liberation Front. [end recording]

## Alfredo Cesar Elected PSD Secretary General

*PA1606190189 Managua Sistema Sandinista de Television in Spanish 0200 GMT 16 Jun 89*

[Text] In an unexpected and sudden move, a group of Social Democratic Party [PSD] leaders today elected counterrevolutionary leader Alfredo Cesar as the new PSD secretary general. A communique released this afernoon does not explain the political future of Guillermo Potoy, who for several years headed the PSD. Potoy obviously was unable to resist pressure from Cesar and finally resigned his position today. Carlos Hurtado, who also returned to the country with Cesar, was appointed as PSD secretary. A group of PSD leaders who are unhappy with this decision are meeting to discuss issuing a strong protest over the election of this counterrevolutionary figure to the PSD leadership.

## Opposition Leaders Call Elections 'Plebiscite'

*PA1706210689 Panama City ACAN in Spanish 1809 GMT 16 Jun 89*

[Report by Jose Antonio Maillo]

[Text] Managua, 16 Jun (ACAN-EFE)—The Nicaraguan opposition, regrouped into the National Opposition Unity (UNO), believes that beyond being regular elections, the February 1990 elections will be a plebiscite in which the continuity of Sandinist rule will be at stake.

UNO, a political force comprised of 14 parties of various tendencies, is working these days on drafting a single government platform and nominating a single candidate capable of facing President Daniel Ortega, the candidate proposed by the Sandinist National Liberation Front (FSLN).

Alfredo Cesar, an anti-Sandinist leader who returned to Nicaragua on 11 June after 7 years in exile, said today that in February 1990, the Nicaraguan people will be asked one question: "Do you want 6 more years of the FSLN, or do you want a future?"

"The opposition has already agreed to draft a government platform and select a candidate," Cesar said, noting that he does not wish to be that candidate.

The former member of the Nicaraguan Resistance ("contras") said that "the first thing we must do is reinstate national dialogue, which was suspended in April of last year.

"The opposition and the FSLN must meet to reach key agreements; we must state that whoever loses the elections will admit defeat, because if this is not clear, neither the Nicaraguan people nor the world will believe in the honesty of the elections," Cesar stressed.

According to the anti-Sandinist leader, another topic that the opposition and the Sandinist regime must discuss is what will happen to the Army and the Interior Ministry if the opposition wins, "because in Nicaragua today, there is no division of power."

Meanwhile, Joaquin Mejia, vice president of the Independent Liberal Party (PLI)—a member of the Progressive Liberal International—told ACAN-EFE that his party views the elections as "a plebiscite," because the opposition's only concern is "ousting the Sandinists from power."

Mejia, whose party is the second-ranking opposition force in the Nicaraguan parliament, added that, in a sense, the term plebiscite is "valid and accurate" because people will vote against the ruling party, the FSLN.

According to Mejia, who worked with the Sandinists during the early years of the revolution as information minister, "the opposition is confident that people will say no to 10 years of terrible repression, hunger, misery, and mismanagement."

He added: "These elections will not be a struggle between opposition parties and the Sandinists, but between empty stomachs and the regime that has bogged down the country."

Armando Zambrana of the Social Christian Party (PDC)—a Social Christian party—told ACAN-EFE that in the next elections, people will have to chose between "dictatorship or democracy."

In his opinion, Sandinism, which has held power since 19 July 1979, the date of the revolution's triumph, represents "dictatorship and misery."

Zambrana said that the opposition represents "democracy," adding that it will struggle to "save the country from a regime similar to the anarchic dictatorship" of General Manuel Antonio Noriega in Panama.

"People are going to lash out against the Sandinists with their votes," Zambrana said, noting that they will vote against the government, as happened during the plebiscite in Chile and in the Panamanian elections.

Gilberto Cuadra, president of the Higher Council of Private Enterprise (COSEP) said that the February 1989 elections "will be the opposition's last chance to oust the Sandinists from power."

"Nicaragua's future will be at stake (in February 1990) and all parties are aware of that. Therefore, they will reach agreement on a single government platform and a sole candidate," Cuadra stressed.

Cuadra believes that personal interests within the opposition will come second, as "the main objective is to defeat the FSLN."

## PDC Presents Presidential 'Precandidate'

*PA1806035989 Managua Radio Corporacion in Spanish 2300 GMT 16 Jun 89*

[Text] The Christian Democratic Party [PDC] has presented Adan Fletes Valle to the National Opposition Union [Union Nacional Opositora, UNO] as a precandidate to the Presidency. During a news conference held this morning at the headquarters of the Democratic Party of National Confidence-PDC, the leaders announced that they will propose Adan Fletes Valle, national adviser of the group, to UNO as a candidate for the Nicaraguan Presidency.

Fletes Valle, a 43-year-old economist, served as professor at the National Autonomous University for 8 years. He is a former two-term president of the Social Christian Party, president of the Democratic Coordinating Board, and former vice presidential candidate of the opposition during the 1984 elections.

The following is an excerpt of the news conference the PDC held this morning:

[Begin recording] [Fletes Valle] We are going to organize a campaign of concrete, militant solidarity. We will give courses, such as training courses, and make known our positions abroad. Late this month, the president of the Konrad Adenauer Foundation will visit Nicaragua. This foundation has a new president—Mr Vogel—who will be making his first trip abroad to visit Nicaragua. I think he will also visit Guatemala, Costa Rica, and Panama. He will spend 2 days here, from 30 June to 1 July. I understand he will also meet with Commander Ortega [not further identified] and other government officials here. We will hold meetings with him.

This will be a show of solidarity, of relations, of interest in Nicaragua. In addition, the Christian Democratic International has confirmed that it will send permanent observers to Nicaragua and it is right now in the process of [word indistinct] the plan, because (?it apparently requires) an important (?investment). These observers will not only be here at the end, that is, on election day, but must be permanently stationed in Nicaragua and will be important politicians, like deputies to the European Parliament, and so on. This will be a guarantee in itself and the assistant secretary general of the Christian Democratic International confirmed this to us during our talks there.

Also, the FRG Government will support [rephrases] We were told that the FRG Foreign Ministry will support the UN initiative and send observers to Nicaragua. UNO consulted with the FRG Government and we were told that the FRG Government had said that it was favorably inclined toward appointing observers to this electoral process as well. This is a very important show of political support for the Nicaraguan people, because we want these elections to be clean, crystal-clear, and truly democratic. We want the people's right to elect to be respected.

With this attitude, we want the dialogue with the government to be held right away. We want the necessary democratic conditions to exist in Nicaragua because they do not yet exist here. We are going to participate in these elections and this is part of the support we have garnered in Europe.

I want to report that Carlos Huembes, president of the Democratic Coordinating Board and secretary general of the Central Organization of Nicaraguan Workers will probably arrive in Nicaragua on Monday or Tuesday. [end recording]

## Panama

### FDP Sends Note on U.S. Helicopter Crash

*PA1706011589 Panama City Televisora Nacional in Spanish 2310 GMT 16 Jun 89*

[Text] Lieutenant Colonel Aristides Hassan went to Chilibrillo last night. He is chief of the Combined Board, representing the Panama Defense Forces [FDP], which is in charge of coordinating all U.S. military flights, convoys, troop movements, and other activities in Panama. He went to the site where a U.S. helicopter crashed, killing officer Bryan Madrid, Sergeant McDonnell Stevenson, and a high-ranking officer who has not been identified. He firmly denounced the constant violations of the Torrijos-Carter Treaties. In his inspection of the site last night, Lt Col Hassan said these violations have been the result of a lack of coordination with the FDP. He said it is part of a campaign of intimidation and threats of aggression, with constant flights over peaceful civilian townships, which have led to this regrettable accident. He said the accident fortunately did not result in any more loss of innocent victims.

Lt Col Hassan said that as soon as it was learned of the accident and as of last night, he had tried to contact his counterpart, U.S. Colonel Robert S. Perry, to object to the incident. However, the officer refused to answer the calls by the Panamanian military coordination authorities, and no explanation was given for the accident. This television station learned that the Combined Board sent a strong protest note last night over the behavior of U.S. troops, whose actions endanger the lives of all Panamanian citizens by making improper use of Panamanian land, air, and maritime space, leading to incidents such as yesterday's and those during the visit by the OAS ministers to Fort Amador, among the most recent.

U.S. troops guarded the wreckage of the OH-58 Ranger helicopter for almost 48 hours. The helicopter accident resulted in the death of three U.S. citizens. This morning, the U.S. units were still at the site of the accident. Later, military personnel began to recover the wreckage of the OH-58 Ranger helicopter. The U.S. soldiers received the cooperation of FDP units while carrying out their operation.

### Ritter Blames Crash on 'War Games'

*PA1706161889 Panama City LA REPUBLICA in Spanish 16 Jun 89 p 8*

[Article by Garritt H. Geneteau D.]

[Text] Foreign Minister Dr Jorge Eduardo Ritter, commenting on yesterday's accident in which three U.S. soldiers were killed when a U.S. Air Force OH-58 observation helicopter crashed, said that the clumsiness and war games of the U.S. Army stationed in Panama have resulted in the death of its own soldiers. He said that yesterday the United States again tried to provoke Panama and the Panama Defense Forces [FDP].

Foreign Minister Ritter regretted the deaths resulting from the accident that took place near Villa Unida, Chilibre Corregimiento. He described as outrageous the use of U.S.military might to intimidate Panamanians and to militarily occupy the country in order to provoke FDP troops.

Ritter believes that one of the worst offenses to a country's dignity is to occupy it militarily by air and land against its will and in violation of existing treaties. He added that such violations are becoming more crude and flagrant every day.

The top Panamanian diplomat pointed out that there is no violation left for the United States to commit in its flouting of the Torrijos-Carter Treaties and other commitments.

"Panama has repeatedly denounced the violations of its airspace and the Panama Canal Treaties. The international community, unfortunately, has paid no attention to our denunciations, because the United States has confused the international community by spreading disinformation about Panama and has thus managed to downplay such violations," Ritter pointed out.

### FDP Denounces Crash Site Vigilance

*PA1706144189 Panama City CRITICA in Spanish 17 Jun 89 p 1*

[Text] "The Panama Defense Forces [FDP] are solely and exclusively responsible for the vigilance of roads in the sovereign territory of the Republic of Panama." This was reiterated last night by Colonel Guillermo Wong, General Staff, G-2; Lieutenant Colonel Aristides Hassan, chief of the combined board; Lieutenant Colonel Arnulfo Castrejon, chief of the joint committee; Major Ruben Rodriguez, chief of the military police; and Major Armando Palacios Gondola, chief of the San Miguelito 11th Military Zone, to the U.S. soldiers who arbitrarily and arrogantly maintain strict vigilance over the wreckage of the helicopter that crashed in Chilibrillo.

General Staff members emphasized that Chilibrillo is part of the sovereign territory of the Republic of Panama, and thus the security of the area is under the control of Panamanian authorities. At this time, the FDP has assumed complete control at the site of the accident, where 13 people [as published] were killed when a U.S. Army helicopter—whose pilot was a woman—crashed.

### Station Denounces U.S.'Arrogance'

*PA1706130689 Panama City Domestic Service in Spanish 1645 GMT 16 Jun 89*

[Station commentary]

[Text] Local papers today cover the unfortunate news of the air accident that killed three U.S. soldiers when an OH-58 U.S. Air Force helicopter crashed near the Chilibre water purification plant while flying at low altitude. Seen from a simplistic, superficial perspective, the news item would not have normally caused much concern, except that three lives were lost because they followed their superiors' orders, flying inside our airspace in violation of the Torrijos-Carter Treaties. Once analyzed in depth, it is clear that the tragedy is the end result of the many warnings issued by the Panamanian authorities, who day after day have reported the arrogance of the Yankee Army based on the banks of the canal. The Yankee Army has taken it upon itself to scare the country's residents with war games and low-level flights, to exert pressure in an effort to topple the Panamanian constitutional government and force the resignation and departure from the country of the Panama Defense Forces [FDP] Commander in Chief. Both oppose the U.S. Southern Command's wish to stay in our territory beyond the year 2000.

For over 2 years, our authorities have been reporting—both at national and at various international forums—the harassment the Panamanian people and the government have been subjected to by the U.S. military based on the banks of the canal. Their lowly purpose has been to twist the people's will to guarantee the taking over of political power by a group of bad Panamanians who will satisfy Washington's interests to Panama's detriment.

Only the professionalism and fervent patriotism of the FDP has avoided a direct confrontation with one of the world's most powerful and arrogant armies. By contrast, the U.S. Armed Forces have men who lack maturity, professionalism, and are profoundly irresponsible, resulting in several deaths caused by their own men, as was the case with yesterday's air accident.

Today, North American mothers cry over the unnecessary deaths of their sons, who were sent to a country they did not know, where there is no war whatsoever, where the inhabitants are by nature peaceful, and where the U.S. forces have virtually invaded the country to impose the will and the sick desires of those who feel they own the world.

Those North American mothers will ask the current White House tenants for an explanation, since they are the ones to blame for these unnecessary deaths. One believes that since he at one time headed the Central Intelligence Agency, the CIA, that he has simply transferred it to the Oval Office and that all his country's citizens are his agents; the other man, a gutless politician, who had the opportunity to fight in Vietnam and cowardly shunned it, finds it alright to send his Army's troops to harass peaceful peoples, in addition to ignorantly saying when he was a vice presidential candidate that he was learning Latin—a dead language—to communicate with Latin Americans.

### U.S. Troops Reportedly Offend Parliamentarians

*PA1806210789 Panama City Televisora Nacional in Spanish 2010 GMT 18 Jun 89*

[Text] Today at noon, Latin American parliamentarians visiting our country became victims of U.S. arrogance when the vehicles they were traveling in to Veracruz

were stopped at the last U.S. Armed Forces checkpoint at Howard Air Force Base. The Latin American parliamentarians were the targets of offenses, outrages, obscenity, and acts of intimidation, and were verbally and physically attacked. Several Brazilian reporters accompanying the parliamentarians on their trip to Panama took photographs and movies of today's incidents. They were also detained and searched, and their cameras were taken from them. In this manner, the Latin American parliamentarians have become direct victims of what our people have been suffering with patience and nationalist spirit. The aggression against the Latin American parliamentarians has justifiably angered them, and it is expected that in the next few hours they will issue a protest denouncing this incident.

## Minister Says Debt 'Potential U.S. Weapon'

*PA1706043989 Panama City Domestic Service in Spanish 1645 GMT 16 Jun 89*

[Text] Gustavo Gonzalez, Panamanian planning and economic policy minister, warned today that the foreign debt is a potential U.S. weapon against Latin American countries. Faced with serious debt problems, the Latin American countries have found themselves having to institute measures that adversely affect the most needy in following Washington's political direction to qualify for aid, Gonzalez said.

Gonzalez cited civil uprisings in certain Latin American countries that resulted from restrictive economic policies and said that the U.S. Government with its enormous resources could have helped resolve the problem. The catch is that this aid is not unselfish and becomes a potential weapon against these same countries, especially Panama. Gonzalez also reported that Vice President Dan Quayle's recent tour and the constant disinformation from the U.S. embassies in each of the area's capitals are part of a campaign of distortion designed to modify Latin American relations with the United States.

## Noriega Adviser Discusses FDP Role in Talks

*PA1706024189 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Jun 89*

[Inteview with Dr Renato Pereira, "adviser" to General Manuel Antonio Noriega, by unidentified reporter on 16 June; place not given—recorded]

[Text] [Pereira] Commander Noriega talked very precisely and clearly during his meeting with the OAS mission. He said very clearly that the political parties must sit down and resolve the political crisis and that the Panama Defense Forces [FDP] will act as guarantors of the results of those talks. This means there will not be tripartite but bipartite talks—between the two political blocs that sought power in the 7 May elections. I repeat, the FDP will provide the guarantee for the results of those talks.

Therefore, the FDP's position—which was stated in full to the OAS mission and in the presence of the FDP General Staff by Gen Noriega—is very clear and categorical.

[Reporter] Dr Pereira, there is talk of an impasse in this tripartite dialogue. What is the FDP's actual position?

[Pereira] I repeat: There is no such thing as a tripartite dialogue—quote, unquote. As far as I know, the FDP position involves a conversation between the two political blocs whose results will be guaranteed by the FDP. If there is any impasse, it results from the intransigence of the opposition, which refuses to sit at a table with the bloc of government parties. The opposition does not want to sit down and talk with the official parties but to sit down with the FDP—not to talk with, but to command the FDP. An army does not capitulate to politicians. Politicians establish rules of conduct, not of capitulation, with their countries' armed forces. This is unrealistic. I do not think any formula to overcome the crisis is viable if it implies a humiliation to the nation or to the country's armed forces. Therefore, sensible formulas must be sought to save and maintain the nation's honor intact, keep it above everything else, and to exclude any foreign meddling.

[Reporter] Dr Pereira, the opposition forces believe real power in the country lies in the FDP. If not a tripartite dialogue but a bipartite dialogue is held between the official and opposition political parties, what guarantee is there that the FDP will really respect the results?

[Pereira] The situation is as follows: Two thirds of the problem are the responsibility of the political parties, and the FDP represents one third of the problem. However, there is a peculiar situation in that the FDP is the repository of the state's coercive power, defenders of the raison d'etat—the very existence of the state. Consequently, their position cannot be subject to a tradeoff among political parties.

The general has already said it quite clearly: The FDP cannot be an object of distribution, political booty. It is an institution that is called upon to safeguard the nation's sovereignty and honor; therefore, it cannot sit at a negotiating table. The question here is that the remaining [as heard] political parties work out a lasting agreement covering their relationship with the nation's armed forces. What is not viable—I repeat—is a government against the FDP. One can govern with the army, without the army that, if it is defeated in a war, it is defeated in war, but never against the army. [sentence as heard] There is not a single case in history of a government or a political group that has governed against its country's army. This is impossible.

[Reporter] Dr Pereira. If no solution is found in the bipartite dialogue you have mentioned—that is, between the government and opposition forces—would the idea of a military junta beginning on 1 September still hold?

[Pereira] This matter of the military junta is my own opinion as a political expert. There are many formulas under consideration. What I do think is that our nation will not allow itself to be dissolved. I think formulas will arise to prevent the nation's dissolution, to uphold the nation's sovereignty and honor, and to keep intact the main bulwark of defense of sovereignty—the FDP. That is the situation.

## Noriega Grants Interview to Prague Magazine

*PA1606180889 Panama City Domestic Service in Spanish 1645 GMT 16 Jun 89*

[Text] In an interview published in the most recent issue of Prague's INTERNATIONAL magazine, General Noriega [commander in chief of the Panama Defense Forces (FDP)] said: The Panamanian people have produced enough antibodies to resist U.S. aggression. In that interview, Gen Noriega explained: From the moment the U.S. soldiers and Navy forces trampled upon our territory in 1848, we have suffered interventions, maltreatments, exploitation, and massacres.

Gen Noriega added: Because of that patriotic history, the Panamanian people have been able to resist and to survive a blockade and all the forms of economic and political aggression recently promoted by the United States.

Dialogue is the most approprite way to avoid confrontation, Noriega said in response to a question on the best way to solve current Panamanian problems. Peace guarantees the ability to successfully confront misery, backwardness, hunger, illiteracy, and chronic diseases. To have peace, we need the contribution of all Panamanians, Noriega said.

Also in the interview Noriega referred to the actual reasons behind the U.S. policy of aggression against the Panamanian people and Government. Noriega said: First, from a strategic point of view, it is extremely important for the Pentagon to keep the U.S. military bases stationed in Panamanian territory after 31 December 1999.

The United States would have to spend $20 billion to transfer the U.S. Southern Command somewhere else. According to Noriega, that expenditure is a second reason why the United States has adopted an aggressive policy toward Panama. Noriega added: The third reason, which has political connotations, is that the U.S. Government is convinced that no other Latin American country will agree to allow the U.S. Southern Command to be based in its territory.

Gen Torrijos created an unbreakable bond between the FDP and the Panamanian people; we replaced tanks with tractors and rifles with machetes, Gen Noriega said in the interview. Noriega asserted: We believe in a democratic system in which the majority of the people participates in the government, in which everybody enjoys the country's wealth, and in which the needy get medical care, a place to live, and the means to educate their children.

## Reportage on L.A. Conference in Panama

### Parliamentarians Meet

*PA1606131889 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Jun 89*

[Passages within quotation marks recorded]

[Text] Legislative Assembly President Celso Carrizo announced that Panama City will be the site this weekend of a Congress of Latin American Parliamentarians at which the current situation in Panama, its relationship with the United States, and political repercussions on Panama will be discussed.

[Carrizo] "This meeting will bring them [Latin American parliamentarians] up to date on the U.S. Government's latest aggressions and meddling in Panama. We have invited them to inform them of the situation."

Carrizo also announced that:

[Carrizo] "At home and abroad the Christian Democratic Party [PDC] is trying to boycott the congress. I have proof that the PDC is trying to influence the Latin American parliamentarians and to prevent them from attending the meeting."

Regarding Legislator [Luis] Gomez' proposal to close the legislature prior to September, Carrizo said:

[Carrizo] "Luis Gomez has an opinion as a legislator and as a Panamanian. As other legislators and Panamanians from all sectors, he is worried about the situation we will face after 1 September [date on which Panamanian Government is to transfer power]. He has expressed his opinion and I respect it. However, the Assembly as a whole has not yet taken a position."

Meanwhile, Legislator Carlos Arellano Lennox said today that most of those who will participate in the Congress of Latin American Parliamentarians are leftists.

[Arellano] "An investigation has revealed that progovernment factions at the Assembly are hosting this convention. They are entitled to this activity, but they are not entitled to carry it out using the Legislative Assembly's name, because the Assembly is composed of a diversity of parliamentary factions.

"Further investigations have revealed that their contacts abroad have been, for the most part, with left-wing parliamentarians, many of whom are friends of Panamanian Marxists. Consequently, the PDC has been forced to report this internationally and to warn its friends about the nature of this congress.

"The progovernment factions have explained that the meeting is not being hosted by the Assembly, but had Legislator [Guillermo] Cochez and I not brought up this issue, they would surely have used the Legislative Assembly's name, as they have on other occasions."

## Noriega Gives Address

*PA1806045389 Panama City Domestic Service in Spanish 0008 GMT 18 Jun 89*

[Speech by General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, during a meeting with visiting Latin American parliamentarians at the Carta Vieja Farm in Alanje, Chiriqui Province, on 17 June—recorded]

[Text] Distinguished parliamentarians who are visiting us in their capacity [of struggle] for self-determination and dignity: The one speaking to all the men and women present here—friends, comrades, and brothers—is not General Noriega.

The gringos ask themselves, and the newsmen, too, when I began to have disagreements with the gringos. No. I studied in a school—the National Institute—that sits on the border [between Panama City and the former Canal Zone] and I was telling (Estela Calloni) yesterday that every time we passed by there we could see the arrogance and imperiousness of an army that felt superior to us students.

I also told her that, in a relationship of aggression, nothing can raise one's awareness more than an active enemy; that aggression and intimidation are a baptismal font that gives dignity and strength to men. Each time a helicopter flies over the hut of a peasant, a curse falls on that helicopter [applause]. Each time a foreign soldier humiliates a poor rural fisherman, like in Veracruz, another curse falls on him, and another palm tree takes charge of downing the helicopter, so there is no need for a rifle to be in anybody's hands. [applause] This is the equilibrium of [word indistinct]. This is the equilibrium of justice.

I told the comrade parliamentarians that we decided to make this meeting truly informal and to bring you to an area other than Panama City, because capital cities are always so cold. We decided to bring you to a place of development, of production, with a special characteristic, like this Province of Chiriqui. When General Omar Torrijos was ousted in 1969 as a result of a U.S.-sponsored international plot, when he was sent into exile and prevented from returning from Mexico, this province became the landing strip that allowed this man, who transformed Panama's society, to return.

Torrijos raised the status of the unions and helped the peasants. Now these peasants, unions, and popular forces realize that they cannot surrender anything because they would be surrendering their own spirit and the road to development that Torrijos bequeathed to them. Torrijos' legacy also included a different army, an army without chastes. These armed forces no longer belong to the oligarchy and that oligarchy will not return to these forces. [applause]

This is the difference. That is the difference. These armed forces are now the people's forces. They belong to the people and will struggle for the people. They no longer follow orders from the Panamanian oligarchy, which is looking for another commander to give him orders, to serve it tamely. We have had commanders here who have stayed 27 years in their post; however, they were members of the oligarchy and that made the difference. There is another commander in Central America who is going to stay in his post 6 more years [not further identified] because there are conflicts in Central America—with the United States' blessing. This man and commander is an obstacle, but he will not be the only commander during the historic period of the struggle of Panama and Latin America. Others will follow. Others will exist. No names are required in the struggle for the liberation of the people. A last name has never been indispensable for a generational relay to occur in a struggle for liberation. [applause; man in audience shouts "damn it"] Consequently, I do not think I am the one and only, and I am deeply convinced that many more men exist and will exist. Many more men will hold meetings like this in transit to 1999 and they will speak with the same patriotic language with which we are speaking today. [applause]

I want to salute the Argentine people through the parliamentarians who are representing them here, at this crucial time when they must sleep with both eyes open to keep the imperialists from preventing President-elect Menem from taking office. [applause, shouts]

I want to introduce to you—half in jest, in a half-ridiculous and half-serious way—the man who is guilty for all coups in Argentina. Come on over, Liche Castrellon. [applause, laughter] Castrellon was military attache in Argentina. [applause] He was accused of staging the coup in...

[Unidentified speaker, interrupting] La Tablada.

[Noriega] ...in La Tablada; they accused him of sneaking Colonel [Mohamed Ali] Seineldin into Argentina; they blamed him for the Holy Week coup. Yet Castrellon's task was historic. He communicated with Peron's legacy; he communicated with all the men who have vindicated Argentina today. [applause]

We, in Argentina [5-second break in reception] Juan Domingo Peron. He was slandered, persecuted, and humiliated. Yet even though a man can suffer slander, persecution, and humiliation, you can never slander or humiliate—much less destroy—that man's ideas.

Peron spent time here in Panama. He lived in Panama City. However, the oligarchy that now wants to regain power pressured him into moving from several neighborhoods and cities. This oligarchy eventually asked him to leave the country. Yet the fact remains that he spent time here. He was a great man here. He had thoughts and dreams here. He dreamed of an Argentina that no one—that no empire—could ever defeat.

Panama has supported Peron's dream for Argentina in as much as possible. Historically and geopolitically, we are experiencing the same kind of the aggression. We share the same anti-imperialist struggle. We have said Argentina was not defeated on the barren plains of the Malvinas Islands. Argentina was defeated from Galeta Island here in Panama, where the U.S. empire has a base for electronic espionage. [applause]

We also welcome our friends the Brazilian parliamentarians, who take unique, revolutionary positions and who refuse to kneel before the empire. We have sensed, observed, and examined the fact that what Brazil does—or abstains from doing—with the Amazon region is a problem for the great and powerful empire. [applause] The empire is even concerned about Brazil's piranhas. Yet piranhas are native to Brazil, and Brazil can do whatever it wants with its piranhas. [applause, shouts]

Ecuador is the land of Alfaro [Ecuadoran hero], who took refuge in our land when he was persecuted, slandered, and humiliated. He came to Panama and raised a family here. He not only raised a family—he shaped history and formed a doctrine. Ecuador is also the land of a man who was killed in a helicopter. Later, another young Peruvian—a blond man—was also killed. Furthermore, after that, Torrijos disappeared.

They were the men who would wage a liberation struggle, and that is why it was necessary to eliminate them. Ecuador, however, has not disappeared. Ecuador and its institutions have endured, and its problems will be solved by the Ecuadorans and their dignified decisions.

We have received a similar inspiration from Uruguay, where a conference of states...[corrects himself] of armies was held and where we talked about a geopolitical equality between... [corrects himself] despite the difference in latitudes between Uruguay and Panama. Both are small countries with a history of struggles and with strong-willed men like [Jose Gervasio] Artigas and [Liber] Seregni [applause], who was awarded a decoration by Torrijos while still in jail in a unique and decisive act of self-determination and dignity before the world.

Peru has also withstood military bases, and it has also felt the oligarchy's presence and rule; yet [Division General Juan] Velasco made progress in the country's social development and dignified its Indians. Those times and those men....[changes thought] General [Fernando] Maldonado, who is here with us, was part of the team that liberated the country from the (?clutch) of the multinational companies, which placed such a burden on the country and are responsible for Peru's poverty. [applause]

In a library....[changes thought] Referring to that arrogant and unprecedented imperialist presence, the photograph of a certain scene continues to be shown around the world despite the years that have passed. A Dominican mulatto with his fists faces a U.S. Marine with full combat gear. [applause]

Colombia is on our border, and it has also served as an example for us. Men like [labor union leader Jorge Eliecer] Gaitan are part of our joint history. Given our closeness, we must ask the Colombians for more support, more understanding, and a stronger stand toward our problems, because Colombians are equally slandered. Their country is being undermined through daily aggression and blackmail. [applause]

As for Costa Rica, the Nobel Peace Prize was earned here in Chiriqui when President Oscar Arias came to ask and to beg [Nicaraguan President Daniel] Ortega to talk with him and support him in Esquipulas. [applause]

It was here in Chiriqui, at the home of then-Foreign Minister Jorge Abadia, that we asked President Ortega to support President Arias. This is the result of that effort. Mediocre persons hate those who help them because they do not want the world to know that they needed help in the past. [applause] Poindexter—all charges against him are being dropped because they are involve state secrets—came here full of arrogance and haughtiness to ask that Panama be used as a springboard to invade Nicaragua. He said that, because the contras were good for nothing, Panamanian forces were needed to sabotage power plants in Nicaragua.

But Panama said no. And this is when the aggression started, [applause] on 23 December 1985. We are hereby sending this message to the Nicaraguan people through their parliamentary delegate. Learn from our experience. Do not be fools or dupes. Refrain from holding elections, because the same thing that was done to Panama will be done to you. [applause]

This is a respectful suggestion. [applause] The Cuban people's solidarity with us, represented by the presence of the Cuban parliamentarian, makes for a historic friendship between Panama and Cuba. Confusion and disinformation are caused by ideological alliances. This kind of relationship and [words indistinct] come from the spirit and are the result of the communication between peoples, not of ideologies. Ideologies are temporary and change from time to time. But the peoples' spirit can never be destroyed.

At a historic moment prior to the signing of the Torrijos-Carter Treaties, Torrijos said that every second in Cuba's isolationism represented millenia in the shame of

Latin America. Panama maintained relations with Cuba, although the empire did not want us to do so. Panama had, has, and will continue to have the right to prepare a list of its enemies and brothers. [applause]

We tell the Mexican friends in attendance that we have learned much from Mexico's experience. We have learned from their history, violations of their rights, and humiliations. We have also learned from their leaders, even though they were called dictators, assassins, or gangsters. All of them were leaders. There cannot exist a moral code when there is a war, because peoples cannot be ruled by moral standards when they struggle to become free. [applause] Peoples achieve freedom and do not kneel.

Gentlemen and friendly parliamentarians from Bolivia, we hold in great esteem General Torres and your persecuted and invaded people. These Andean people have been disinformed and slandered, and their native heritage has been wiped out. We want to thank the Bolivian people, whose representatives come from so far but who are so close to us, for their support. [applause]

In addition, we would like to note in passing that, for special reasons, the Bolivian elections resulted in a three-way tie.

But nobody meddles in Bolivia. No one has imposed the OAS on Bolivia. This is the moral I want to stress to all parliamentarians. Neither Bolivia, Venezuela, Paraguay, nor Uruguay has a canal. These countries do not have a geographic location that lends itself to snooping on Latin America. Panama has a canal, and its geographic position is perfect as a listening post. This is why a docile government, a groveling commander, and a defeated nation must be imposed on Panama. [applause]

Venezuela... [applause] We have experienced the history of Bolivar's fatherland together with Venezuela. There was a misconception at the OAS. Many of its members were not aware of the fact that Panama had fought in Ayacucho and that 1,000 Panamanians had helped free Indian America by accompanying Bolivar in the struggle against the Spanish crown. These OAS members were surprised to learn that the Panamanian Army fought in Bolivar's last battle on the plains of La Quinua. General Tomas Herrera [Panamanian hero] was decorated in that battlefield. When Sucre's army was weakened by pressure and by the Spaniards' violent counterattack, Herrera was in the rearguard. Herrera was ordered to block the Spaniards' path, and it was then that Herrera outdid himself and helped the Liberator's army, commanded by Sucre, defeat the Spaniards. Sucre decorated Herrera in that very battlefield. [applause]

Out of parliamentary decency, we wish to make no further mention of Venezuela. [crowd applauds and shouts: "Very good, very good!"] As Legislator Moyo Icaza says: Let's leave it at that.

## Ritter Speaks

*PA1806224589 Panama City Domestic Service in Spanish 0147 GMT 18 Jun 89*

[Speech by Foreign Minister Jorge Eduardo Ritter at a meeting of Latin American parliamentarians at the Riande Hotel in Panama City—live]

[Text] Distinguished parliamentarians, Panamanian legislators: I believe it would be a bit too presumptious to use the word conference here. The word conference always has a very academic connotation. Instead, I would like to share with you some of our concerns; I would like to talk to you about what these past months of U.S. aggression have meant to Panama and about the violations of the Panama Canal Treaties. I would dare to tell you and give you assurances that at this point in time, the Panama Canal Treaties are—to a large extent—a dead issue. The treaties have been violated so openly and with such impunity that very little of them is really being fulfilled.

I would like to begin by pointing out we will commemorate two special events this year. In normal times, these would have been days for celebration, but this year, these will be days for reflection. This year, we are commemorating the 75th anniversary of the Panama Canal and 10 years since the implementation of the Torrijos-Carter Treaties. However, there is very little for the Panamanian people to celebrate regarding the Panama Canal.

I am going to begin by talking to you about the violations of the Panama Canal Treaties: what is behind this aggression the United States has unleashed against us. I would not like to leave a single doubt regarding the aggression to which Panama has been subjected to for the past 2 years. The sole purpose of the aggression is to disregard the Panama Canal Treaties. To say the United States wants to disregard the Panama Canal Treaties is not saying enough, because it does not fully explain the situation; there is more to it. We have pinpointed more than 1,000 violations of the Panama Canal Treaties. You must remember that the Torrijos-Carter Treaties do not contain only five or six articles. It is a decolonization plan with different stages to be fulfilled each year, a plan that calls for daily implementation steps, a plan in which the U.S. Armed Forces have daily responsibilities with the Panama Defense Forces [FDP]. All the activities being carried out by the U.S. Armed Forces are not established in the treaties; by carrying them out, they are disregarding those treaties.

If I were to mention the four basic parts of the treaties that represent benefits for Panama, I would have to say none of them are being fulfilled. The first basic part calls for the appointment of five U.S. citizens and four Panamanian citizens as members of the board of directors of a body that would operate as an association. Today, there is no such thing. The United States has systematically prevented the presence of the Panamanian members at the meetings of the board of directors.

The Panamanian members have been denied U.S. visas to attend the meetings; the United States has invited outsiders to the meetings; the United States finds excuses for the Panamanian members not to attend the meetings; and a board of directors meeting has not been held in Panama for the past year—the treaties call for the meetings to be held in Panama. Therefore, it has been a year since Panama has attended a board of directors meeting.

Consequently, this concept of the treaties as an association between two states is a great farce and a lie. The United States has turned the Panama Canal Commission [PCC] Board of Directors' meeting into a monologue in which the U.S. members are the only ones heard. I would say another aspect of the treaties, the direct economic benefits that Panama should derive from the Canal—an aspect that is not essential for Panama but that was and is still important—is a dead letter. Over the past 16 months, the United States has not paid a single penny to Panama for the use of the Canal. Not only that, but the U.S. Government has illegally stopped payment to the Panamanian Government of the income tax withheld from PCC workers. In addition to stopping payment of the Canal annuity, the U.S. Government stopped payment of the income tax withheld from Panamanian workers' salaries. Those workers are having serious problems. With a government that has a fiscal system such as ours, it is impossible for them to obtain a tax clearance certificate, because the Panamanian treasury is not receiving the income tax.

Regarding another step forward concerning the Canal by the Panamanian people, the appointment of the Panamanian administrator, I wish to point out very clearly the most brutal and flagrant violation of the treaties the United States is about to perpetrate against Panama. As I told you, the treaties came into force 10 years ago on 1 October 1979. The treaties stipulate that over the first 11 years of the treaties' validity—between 1979 and 1990—the Canal administrator would be a U.S. citizen and the deputy administrator would be a Panamanian citizen. The treaty says this situation would be reversed on 1 January 1990. The administrator would be a Panamanian citizen and the deputy administrator would be a U.S. citizen.

However, 1 year ago, the U.S. Government gradually began to strip the administrator of his functions, and a heretofore unknown position was invented. The board of directors' secretary will assume the administrator's functions when the administrator is a Panamanian. But the problem does not end here. The United States, through a U.S. Congress resolution and with the U.S. Administration's complicity, has said it will not accept a Panamanian administrator. Its excuse is that there cannot be a Panamanian administrator as long as General Noriega is in Panama. May I repeat that the appointment of a Panamanian administrator is perhaps the most important achievement, because it is the only one allowing Panama to make the transition from a U.S. Canal administration to a fully Panamanian administration on the last day of this century. Such a transition has been hampered because the United States has announced it will not accept a Panamanian administrator.

This is very disturbing for Panama. I want to point this out to you because we do not want the United States to get away with this mockery, assisted by Latin America's indifference. These treaties' achievements are very dear to Panama. I have already pointed out three such achivements, yet I will now point out the fourth, which is the essence of the U.S. aggression.

The U.S. military presence in Panama must cease on 31 December 1999. Pentagon documents clearly state the dismantling of these military installations, which some of you have seen and all of you will surely be able to see tomorrow, takes 10 years to be completed. Consequently, the United States will have to decide in the next 12 months—it should have initiated this dismantling already—whether this operation will be initiated or whether the Panamanian people, through a docile government, are forced to sign an extension of the U.S. military presence in Panama. What General Torrijos described as the treaties' greatest victory, settting a date to end the U.S. military presence, is also in peril.

Let us not think: The United States still has 10 years to fulfill the treaties. Every one knows that in these 10 years the United States will have to move these military installations to another country.

It is true some possibilities have been mentioned, but at no point has the United States even expressed a willingness to begin dismantling these bases. On the contrary, the United States has increased its military presence, which also violates the Torrijos-Carter Treaties, which clearly and conclusively establish that the U.S. military presence must decrease and that the important PCC positions must be turned over to Panamanians. All of these provisions—I repeat: all of these provisions—have been systematically violated by the United States.

The day before yesterday, there was an unfortunate accident in which the crew of a U.S. helicopter was killed. This accident essentially occurred because the United States was performing illegal maneuvers not included in the Panama Canal Treaties. This action not only violated the treaties, it also violated all tenets of international law. The helicopters were escorting convoys, which are being deployed through Panama without Panama's authorization or knowledge. This is an open treaty violation.

People often wonder whether the United States will stage a military intervention in Panama. Tomorrow, however, you will have the chance to see that a military intervention has already taken place in Panama. They are now in our streets and not at their corresponding defense sites. They are in Panama's very streets. Furthermore, you will have a chance to observe this, because the United States

has made no effort to hide these violations, thus betraying its lack of prudence or shame. During a visit by an OAS foreign ministers commission, the United States besieged several areas in Panama City, staging an unnecessary and arrogant display in front of the OAS mission. This arrogance shows the United States cared nothing about the presence of the Latin American foreign ministers visiting Panama.

I wanted to stress these issues, because Latin American governments—and this does not apply to you—frequently are satisfied with pointing out in an OAS resolution that they desire and demand the fulfillment of the Panama Canal Treaties, and they do so very rightly. However, at this stage in Panama's situation, it is not enough to say we want the treaties to be fulfilled. We need to report all treaty violations. The more violations that take place, the more removed Panamanians constantly become from occupying important PCC positions. Most of all, the United States is robbing—please excuse my use of that word—Panamanians of all the conquests they achieved with the Panama Canal Treaties.

How has it been possible to perpetrate and conceal these violations? This has been achieved by making Panama's domestic problems seem so great that they actually serve to conceal these violations. First, the United States created a monster and accused him of every possible crime in the world. It created the monster Noriega. For its own interests, the United States now has the intention and the duty to destroy this monster. The United States has even gone to the extreme of basing all its arbitrary actions—such as freezing Panamanian funds and turning these funds over to specific people—on a certification first issued by Mr Reagan and later ratified by Mr Bush. The U.S. President issued a certification under oath to Congress textually stating that Panama is a threat to U.S. security, foreign policy, and economy.

How can this country—with 2 million inhabitants, with no military power, with a dependent economy, with a service economy—endanger the security, foreign policy, and economy of the United States? That is the legal basis for the aggression. The political basis is not wanting to abide by the Panama Canal Treaties, but the other one is the legal basis for the aggression.

Not satisfied with having frozen all those funds, not satisfied with not paying what they owe us as established in the Panama Canal Treaties, and not satisfied with ordering the U.S. companies to refrain from paying their taxes to Panama, now they, the guilty parties, admit that much of that money has been passed to private hands. Using the excuse that they only recognize a man who has been living in Miami for the past year as president of Panama, they have handed those funds over to him. Once the economic sanctions have been lifted, the Panamanian people and Latin America will find out that much of those frozen funds no longer exist.

They claim those funds have been used to cover foreign service expenses, a foreign service that they run; in practice, Panama today does not have relations with the United States. The United States does not recognize the Panamanian Government and has illegally placed our embassy in the hands of private persons who do not represent the Panamanian Government. All our consulates are being run by private persons who do not represent the Panamanian Government. Here in Panama, the United States has an embassy that does not recognize the Panamanian Government. That is the kind of aggression we are experiencing.

They are constantly provoking us so if a regrettable incident occurs, they will have the excuse to defend lives or defend themselves from FDP harassment. It would then be necessary for them to enter the country with their troops, tanks, and weapons. That is what they are looking for. That provocation has already reached unacceptable levels, offensive levels. Those troops can be see on the streets of Panama City and on the road between Panama and Colon.

The other excuse they are using is the problem of democracy. They claim the treaties cannot be fully implemented as long as the Panamanian regime is not democratic. However, the certificate of democracy is only granted by the United States.

I am going to tell you something: When I was the Panamanian ambassador to the United Nations, former President Eric Delvalle asked to go to the White House. The answer we got was that he was Gen Noriega's puppet and the final result of a fraudulent election; therefore, not even the secretary of state would receive him. When Mr Delvalle, prompted by the United States, illegally decided to remove Gen Noriega, he suddenly became Panama's constitutional president. The 1984 elections were no longer fraudulent elections; he was truly a democratically chosen president; therefore, he had to be recognized. Up to this day, that is the basis of the aggression. All this, of course, was accompanied, quite scientifically, by large-scale propaganda showing Panama as the center of the news, the center of all world events.

As a comparison: On 10 May, there was an incident in which one of the candidates was wounded. By the way, I must say that although the photographs and video clips have been dramatized and exaggerated, I must admit here that the candidate was indeed hurt in the incident. When the U.S. President was asked about the thousands of people killed in China, his only comment was that he was horrified, but that he could not forget that a Panamanian opposition candidate had been shot...[corrects himself] had been wounded, as if the two incidents could be compared or related.

This is an example of the systematic campaign to show that things are happening in Panama, and when nothing happens, they must be invented, because Panama must

be on the front page of newspapers to justify the continuous attacks against this country. I repeat: I am not dramatizing things. You will see for yourselves tomorrow what the U.S. military presence is. You will see for yourselves what it means for a country not to be able to develop its economic life—and even less so an electoral process or a democratic process—with an intervention of the magnitude Panama is facing. None of the countries you represent has 15,000 foreign soldiers in its own territory. None of the countries you represent, from where you come, have to confront daily the presence of harassing and threatening foreign soldiers, helicopters overflying FDP facilities, and helicopters overflying civilian populations with spotlights, scaring people, intimidating them, and demanding they follow a certain political line.

Therefore, when reference is made to a democratic or political process, it must be made clear that in Panama, the dispute is not between two political parties or between civilians and military. In Panama, the issue is one of sovereignty and independence. For Panamanians, the primary concern is to consolidate that independence and demand respect for our sovereignty. None of the countries from where you come have sovereignty and independence in danger as dramatically as they are in Panama. Of course, all independence and all sovereignty are threatened in a real manner and can be curtailed, but nobody has that threat at its doors as we Panamanians do. That is why for us it is a matter of principle to uphold the treaty achievements. In Panama, there cannot be a normal process, a normal life, as long as U.S. aggression does not end.

I had viewed with complacency the fact that in some countries—I am not going to mention any names, but they are South American countries—I saw that everytime there was undue interference by the U.S. ambassador, all the parties went out as a whole, setting aside their party differences, and protested that aggression. The penetration in Panama has been so vast that it has found deep inside Panama persons who want to support and ratify that aggression and interference in Panama's domestic affairs. This does not contribute to our being able to carry out normal political events or a normal political process in Panama. I do not intend to explain or justify the annulment of the elections, nor am I going to point out certain attitudes. In the long run, these are problems concerning Panamanian domestic policy. I did want to share with you these other concerns. I wanted to tell you why things happen as they do in Panama. When you leave here, remember you are leaving behind friends and a country that is under aggression, a country whose independence is at stake, a country that finds itself mocked, because the treaties that were so solemnly signed, in the presence of all the U.S. state leaders, are dead words to a great extent today.

Thank you very much.

## Ritter Replies to Questions

*PA1906020089 Panama City Domestic Service in Spanish 0216 GMT 18 Jun 89*

[Question-and-answer session held by Foreign Minister Eduardo Ritter with participants in a meeting of Latin American parliamentarians at the Riande Hotel in Panama City—live]

[Text] [Cardenas] I am Deputy Juan Cardenas, from Ecuador. I want to ask the Panamanian foreign minister a question, but first I would like to make a brief statement. It is true that today we are deeply moved by what is happening in Panama, but it is also true that the United States is preparing other types of actions, and there is evidence of this. For example, a little over 1 year ago, U.S. troops entered Ecuadoran territory. Less than 2 months ago, through one of its banks, the United States illegally and fraudulently seized $80 million that belongs to the Ecuadoran people. In other words, these actions are against Panama today; it will be against any of our countries tomorrow. Apparently, it is Ecuador's turn now.

In this comparison of strange coincidences, it is evident it is time for the United States to withdraw from Ecuadoran petroleum areas by complying with the agreements signed with transnational companies such as Texaco. Apparently, it is not planning to comply, and it is preparing for this. Ecuador sincerely regrets Panama's troubles. We have ratified this sentiment in an official statement issued by the Ecuadoran Congress that mentions all the political and ideological differences. We have officially voiced the feelings of our people, who are also victims of the low-intensity actions that seek to subdue governments and peoples.

We regret there are men like [Panamanian opposition presidential candidate Guillermo] Endara in Latin America [applause], and we must make sure there are no more like him.

Mr Foreign Minister: Do the Torrijos-Carter treaties consider the transfer of any part of the military installations that are today in the hands of the United States, and do they consider that the United States should begin to dismantle these bases so they can be used by Panama for the defending the Canal Zone? That is my first question.

My second question: What diplomatic actions has Panama carried out to break the sad isolation of this country that is suspiciously maintained by the Group of Eight, which has become today the Group of Seven? Panama should avail itself of that important international forum to turn it into a fortification of its cause, which is not only a Panamanian cause, but a Latin American cause.

Thank you very much. [applause]

[Ritter] The treaties provide that all military installations, and the Panama Canal, should be turned over to Panama on 31 December 1999. The Canal must be transferred in good condition so it can be used. Meanwhile, all buildings and the actual defense sites of the Panama Canal must be dismantled. By this, I mean they must be transferred to Panama.

In addition to those military installations, the United States maintains here the Southern Command, which is operating outside the framework of the Canal treaties. The operation of the Southern Command is not mentioned anywhere in the treaties, because it does not comply with and exceeds the purpose of defending the Panama Canal. The Southern Command military installations are for activities that have nothing to do with the defense of the Panama Canal.

Your question allows me the opportunity to explain something concerning forums such as the Group of Eight and the OAS. As I have pointed out, using the pretext of democracy, there has been an attempt to isolate Panama. There has been a pretext that there is a monster here that must be destroyed, and that unless that monster is destroyed, there cannot be democracy or an arrangement with the United States. The only thing Latin America is doing with this is becoming an accomplice of that aggression by the United States.

On 26 February of 1988, while the Group of Eight foreign ministers were meeting in Cartagena, there was a change here. President Delvalle was dismissed by the Legislative Assembly. Since there were contradictory reports concerning whether or not General Noriega had left, if the president was staying or leaving, and so forth, the Group of Eight decided to separate Panama until the situation became clear. That was the phrase that was used. As time moved on, we made some announcements, and the situation was absolutely clear.

For some countries, to clarify actually meant something more. Some said to clarify meant: when things were clarified after the elections that were going to be held more than a year later. For others, it meant attaining a political solution in Panama that included the absence of Gen Noriega, which was and still is the U.S. position. Therefore, in practice, Panama has been excluded from the Group of Eight since February 1988. I do not think there presently is...[changes thought] Panama's participation is not even included in the presidents' agenda. They assume that because this group was formed to strengthen democracy—Latin American countries have sometimes become judges of each other and issue certificates of who has a democracy—Panama's exclusion is almost permanent.

Presidents and foreign ministers are always stating that Panama will return to the Group of Eight when it has attained democracy, has held elections, etc., etc.—which is a way to postpone Panama's return to the group. This is depriving Panama of its participation at that forum. Therefore, Panama has taken this matter to other forums such as the OAS and the Nonaligned Countries Movement. However, I also want to tell you today what is happening at the OAS. When the elections were annulled, Venezuela requested a foreign ministers consultation meeting to analyze the situation in Panama, and they added: in its international context.

However, at the most recent foreign ministers consultation meeting, I pointed out that it seemed Panama's international context is what has worried the OAS the least. The OAS is more concerned about the problem of the elections in Panama than about Panama's international context, which indeed deserves OAS attention. What did the United States plan to do on that day: approve any sort resolution. First, it was obviously important for the United States that the resolution mention Gen Noriega. Second and most important, it wanted a resolution telling the Latin American and the U.S. public that Panama was isolated. How could that be attained? By drafting a resolution that, although saying harmless things, Panama had to vote against. Then, because Panama had to vote against such a resolution, they could say Latin America had isolated Panama. All this happened at a private meeting, but obviously many of these things have been reported.

The first resolution, which was already discussed at the OAS... [changes thought] I believe I have to mention this so you see how the organization's decisions are influenced and how events take place at the OAS. By 1230 that day, they had 20 votes to present the resolution. However, the resolution did not mention Gen Noriega. Twenty countries were going to sign the resolution, which were exactly the 20 countries, the 20 votes, required. Panama did not participate in that meeting. When the time came to present the resolution, only eight countries agreed to sign it. Meanwhile, the United States had been exerting such great pressure that Secretary Baker, whom I believe did not even know the location of OAS headquarters, spent 6 hours holding separate meetings with each of the foreign ministers.

When the United States proposed to mention Gen Noriega in an OAS resolution, blaming one man as responsible for the outrages, I requested a separate voting on that paragraph, because, I told them, it seemed unusual that the OAS would draft a resolution making individual accusations about one person and holding him responsible for all the problems taking place in Panama. The United States did not even accuse the Panamanian Government; it insisted on accusing Gen Manuel Antonio Noriega. Therefore, I requested a separate vote on that paragraph. Even though by 1230 20 countries had agreed to vote for the resolution that did not mention Gen Noriega [words indistinct] only 2 countries voted against that paragraph: Nicaragua and Panama. Twenty countries voted in favor of including Gen Noriega's name in that resolution, and seven countries abstained from voting.

What did the United States seek? They had to tell Latin America and their own people: Because of diplomatic prudence—or rather the memory of what used to be diplomatic prudence—we acted in agreement with the OAS. The OAS isolated Panama; therefore, we have carte blanche do what we think is the best, because Panama can no longer rely on the OAS.

Then, there was a resolution in which Panama would invite a mission. Naturally, Panama then said that a commission could come to Panama, but not just to see how the election problem is solved but also to see the U.S. military presence here. All of that should be taken into consideration. I continue to trust fully that the OAS mission will point out what is going on in Panama, what it saw in Panama, and that the Latin American governments will then decide what attitude to take and if the isolation the United States is seeking will take place. The United States has requested and sought that isolation with a lot of effort. We will see whether or not it happens.

However, in the interim, I want to stress that while those matters are being discussed in the OAS, the treaties are being violated daily. This fully answers your first question. I repeat: Panama's growing participation in Canal activities has been totally ignored, as has a gradual decrease in U.S. participation, the dismantling of military bases, and a reduction of U.S. troops in Panama. All those agreements have been violated.

So you see, the treaties do call for Panama's growing participation and for a gradual reduction of U.S. participation. The treaties also state they must turn over all the facilities there, at least in the part...[changes thought] They may take their weapons with them, but they must leave the facilities, landing strips, and barracks where soldiers are lodged. All those facilities must be transferred to Panama, just as some houses, areas, land, and bodies of water have been transferred gradually.

That is why I said the treaties are really a process for decolonization. However, military aspects have been totally ignored, and U.S. military presence has increased instead of decreasing. [applause].

[Moderator] Are there any more questions?

[Unidentified Venezuelan parliamentarian] I have a short comment. For us, a small Venezuelan delegation, it is worrisome to see Venezuela—which has always played a leading role and has always been identified with Latin American tradition and solidarity based on its historical background—today is a disgrace for Latin America, particularly its government and its main parties, by abandoning Panama at this crucial time, by not being on its side in the defense of its sovereignty at this difficult moment for Latin American peoples.

So far during the first 5 months of this year, Carlos Andres Perez'government has sent troops to the streets on four occasions. There are conflicts and strikes practically each day. In fact, international banks demanded as a condition for new credits that Venezuela give its oil or gold as guarantee for payment, and Venezuela offered a large part of its international gold reserves. This is very humiliating for the Venezuelan people.

At the beginning of the Panamanian crisis, the Venezuelan press published a report we would like the foreign minister to clarify for us. It said Carlos Andres Perez' government—I believe through the Venezuelan Embassy in Colombia—tried to contact a group of Panamanian officers to plan a military coup in Panama against the legitimate Panamanian forces and the Panamanian people. We believe it is important that the foreign minister report this to the Latin American parliamentarians, and to us in particular, because even though we are a small delegation, at this difficult hour, we represent the dignity of the Venezuelan people and are convinced that Venezuela, the Venezuelan people, do not support this aggression or the Venezuelan Government's position. [applause]

[Ritter] I cannot give you exact dates, but I can tell you what happened. The Panamanian military attache in Colombia arrived in our country and informed Gen Noriega and the members of his general staff that he had been contacted and asked to travel to Panama to contact some FDP officers to carry out a coup against Gen Noriega. The Panamanian officer's statement was given wide publicity in Panama; all the details of that conspiracy were widely disclosed. I understand the Venezuelan Government denied its participation in that plot.

The truth is that Captain Arjona brought from Colombia—where, I repeat, he is a military attache—all the details of a conspiracy in which he was to have been a part. They contacted him to make him part of the plot. However, he came and told Gen Noriega that, for the record, he was coming to report the plot and not to participate in it. This is the information that was published, not only in the Venezuelan press, but also in the Panamanian press. I reiterate the gratitude, expressed by the president, for your presence here. Think, I repeat, that despite all these months of disinformation, of poor information, of blowing up small matters, of minimizing important ones, the injury of one person merited the calling of a consultative meeting of foreign ministers that has been under way for more than 1 month. Yet there have been many persons killed in many countries, and this has not merited an OAS consultative meeting. I think about the magnitude of the issue in Panama and believe that the only thing that can defend Panama from abuses is Latin American solidarity.

Thank you very much for your presence in Panama. [applause]

## Solis Palma Gives Address

*PA1806203689 Panama City Domestic Service in Spanish 0046 GMT 18 Jun 89*

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at a meeting of Latin American parliamentarians at the Riande Hotel in Panama City—live]

[Text] Good evening. First, I would like to express my appreciation for this gesture of solidarity by the parliamentarians of two great Latin American nations. These parliamentarians are Auricio Becerra of Brazil and Dr. Miguel Camel Martinez of Argentina. We Panamanians are greatly honored by and indebted to these two great countries and all the Latin American representatives who are here today in solidarity with us.

Legislator Celso Carrizo, president of the Legislative Assembly; parliamentarians who are with us at the rostrum; members of the Panama Defense Forces General Staff; ministers and deputy ministers; directors of decentralized institutions; honorable legislators; distinguished parliamentarians from Mexico, Central America, South America, and the Caribbean; San Miguelito mayor; special guests; ladies and gentlemen.

I am particularly pleased to extend my warmest greetings to the distinguished parliamentarians who are meeting in Panama City in a gesture representing the Latin American peoples' most genuine feelings of friendly solidarity with our people and the Panamanian cause. You have arrived in the country at a very special moment in the history of mankind and Latin America, a time when agreements between the superpowers have revived old concepts about conventional weapons and the strategic value of our territories. The foreign debt has significantly decreased the autonomy of many countries, and new forms of dependency affect the political and economic development of large segments of the continent's population.

Our government has struggled for self-determination and has zealously protected the people's sovereign rights. Our government has succeeded in preserving peace and in respecting human and individual rights despite the difficult situation caused by foreign provocations. This nation has been the victim of the gravest abuses and outrages by the U.S. Government, which has violated all the principles of relations between free and independent countries. The U.S. Government has been trying to impose on us a model that fits U.S. conditions and interests.

It is extremely dangerous for a superpower to call itself a world judge and unilaterally determine when, where, and how human rights are to be respected or a democratic regime is to be established. This decisionmaking power that the U.S. Government has been applying to Panama has allowed it to use as criteria whatever coincides with its desires to arbitrarily determine who violates human rights or who needs a greater degree of democracy. This has led to a very particular concept of democracy and human rights according to the score assigned by the superpower. This score allows the superpower to ignore the principles of nonintervention and self-determination under the pretext of protecting individual and collective values. Without these principles, international coexistence is utterly impossible.

Over the past 2 years, that foreign power has carried out a monstrous aggression against Panama, ranging from open and brazen interference in our internal affairs, through the gamut of acts of disrespect, to the arbitrary freezing of public funds, without justification of any kind, other than the desire to extend its presence on the military bases located at strategic points in my country beyond the term agreed upon in the Torrijos-Carter Treaties, to preserve its hegemony over the American continent.

There are things on which we must insist so the local situation can be better understood. Since it was not to their advantage to level the charge of communism against Panama, the United States decided to invent a new monster, so it used the charge of drug trafficking. In the international scandal they raised, they never produced any evidence a court could admit. The cornerstone of the entire discredit campaign is composed of statements by false witnesses and testimonies of persons serving time for drug- trafficking and money-laundering charges in the United States, where the reduction of prison sentences in exchange for turning government witness has become part of the U.S. penal system.

As it befits a free and sovereign nation, Panama has rejected and will firmly reject intolerable U.S. actions. This is why we are requesting the support of all peoples. We wish our experience can warn them of what could befall each of them in the future if we all do not unite in a strong general movement for the defense of our inalienable rights.

My homeland presently is being attacked, economically besieged, and militarily threatened by a foreign power that is attempting to impose its nefarious plans, not only on Panama, but throughout Latin America. In view of this serious danger, we Latin Americans should unite and act without delay or hesitation. We must confront this ominous situation with our own means and our own ability to resist and struggle, yet with the common objective of having our rights as free and sovereign countries respected. We must confront aggression and the threat of aggression with the powerful testimony of our rejection. We must contribute to the Panamanian cause, which has become the common cause of Latin America.

For this reason, your presence in Panama has a deep political significance and is one of specific achievements. You, who genuinely represent each of your countries, have an opportunity to directly observe what is going on in Panama and what is being done to Panama. You can

see the overwhelming presence of U.S. power. Its army frightens us, tramples our soil, and seriously imperils the property and lives of our people. You can see how the United States violates its most binding international obligations, such as the Panama Canal Treaties, and creates conditions to turn this peaceful country into a theater of war. You can understand the suffering of our people, particularly the lowest classes, as a result of a serious economic and financial crisis that has lowered production and aggravated joblessness and poverty. The United States, which has withheld more than $300 million belonging to the Panamanian people, has enacted steps that have reduced my country's GNP almost 20 percent.

All this intends to create a climate of unrest in the Panamanian people. U.S. imperialism intentionally rehearses in Panama a form of intervention that it is beginning to apply in all of Latin America and against all of the world's oppressed peoples. But this power not only has attacked us, threatened us, interfered in our internal affairs, and limited the exercise of our rights for sovereignty, freedom, and self-determination. Through its damnable intentions, this power has maliciously and systematically initiated a large-scale disinformation campaign throughout the international community to create a false, distorted, and evil image of Panama, its people, institutions, and leaders.

Distinguished parliamentarians: The various views presented regarding General Manuel Antonio Noriega constitute an important cross-section of the Panamanian situation.

The United States has carried our spectacular, unique, and persistent efforts to convince the world with the thesis that Panama is afflicted by a problem that can be easily solved with Gen Noriega's removal or resignation from the Panama Defense Forces' [FDP] command post. This childish and deceiving concept is aimed at reducing the Panamanian situation to a simple personal matter and does not correspond to its complex character.

We have stated on many occasions that the essence of the Panamanian society's political condition is the historical struggle that has been waged for decolonization and the achievement of the lofty goals of national liberation. This has been a continuous effort exerted by the majority of our people without respite to achieve freedom. The priority status of these circumstances has sometimes overlooked the discussion of Gen Noriega's role as protagonist in this Panamanian and Latin American battle.

I believe this occasion is appropriate to offer my views on this aspect of the international controversy that prevails in the country. Gen Noriega is the foremost leader of the liberation process, just as General Omar Torrijos was in his time. [applause] His leadership is a factor of national cohesion and a basic element of political coordination between the military and those civilians who have pledged to carry out the Panamanian people's national struggle.

The consolidation of this leadership is essential to guarantee the historic epic that inspires the nation's conscientious population. Surrendering Gen Noriega would be tantamount to surrendering the movement, because it would represent the first step in dismantling all the political structures that allow us to continue waging the great battle for Latin America. It is absolutely false, illusory, and deceptive that Gen Noriega's ouster would lead to the achievement of stability and peace.

Stability and peace depend on many other factors, not on such a superficial and foolish formula. They particularly depend on foreign nonintervention, particularly that by the United States, and the participation of the people in the country's political leadership. National reconciliation must be found by discussing basic national problems such as national liberation, nonaggression, overall democracy, economic development for welfare, and—at this particular moment—the elimination of unemployment and the achievement of social development, health, housing, just labor-management relations, etc. I believe Latin America must acknowledge it has a debt with Commander Noriega. This attacked, insulted, and slandered man has withstood the onslaught, and this can only be achieved when a human being inspires himself in his deepest convictions.

Messrs Parliamentarians, I avail myself of this solemn occasion and your role as elected representatives of various political doctrines to denounce the illegal nature of the military maneuvers and exercises carried out by the U.S. Armed Forces without fulfilling the provisions of consultion and coordination with the FDP, as established by the Torrijos-Carter Treaties. For over a year, U.S. authorities have been trying to impose an absurd interpretation of a provision in the agreement for the implementation of Article 4 of the 1977 Panama Canal Treaties. According to them, it gives them the rights of an occupation army in a defeated country.

The goal is none other than the justification of their activities of permanent provocation and harassment against the FDP and the civilian population. The recent death of the crew members of a combat helicopter of the U.S. Army occupiers was the result of an illegal order that violated the Panama Canal Treaties.

Distinguished parlamentarians: My country is currently facing serious and difficult problems that will worsen. The United States has resorted to every means to ruin, intimidate, divide, and confuse us. However, we have managed to endure. We are facing many problems with energy, determination, firmness, imagination, and our Latin American brothers' support. We intend to solve our society's most serious social and political conflicts, inspired by the quest for national liberation.

We Latin American leaders today must choose between a real America—with its age-old poverty, its immense problems, and its explosiveness brought about by delayed solutions—or an America invented by news agencies and media serving U.S. Government interests. The famous decade of democratization is a sinister farce if we count the tens of thousands of political murders, the hundreds of thousands of victims of armed violence, the drop in actual salaries and in the standards of living of the majority of our countries' populations, among other aspects.

By making this contact with Panama, by confirming our truth, and by bearing in mind the false image disseminated by the U.S. information machinery, you will understand the need to stop the brainwashing to which our America, especially our youth, has been subjected. We cannot continue allowing dissent and hatred to thrive among us, based on the falsehood of a fictitious democracy, on freedom solely aimed at subverting or halting any attempt at development favoring the deprived, or on a sense of justice solely devoted to the inviolability of current local and foreign privileges.

We greatly thank you for your intentions and fraternal solidarity, and we offer you our warmest hospitality. We fervently and sincerely wish that upon examining and discussing Panama's problem, you will concur with the noble ideals supported by the heroes and liberators of the great Latin American nation, today seriously threatened by the imperial sword. This meeting fills us with optimism, because we know the light will shine at the end of the tunnel and the truth will prevail. It will be a great contribution to Panama's cause and the Latin American nations' liberation, which is a pressing issue for all humanity.

### 'U.S. Aggression' Condemned

*PA1906130189 Hamburg DPA in Spanish 0245 GMT 19 Jun 89*

[Text] Panama City, 18 Jun (DPA)—A total of 159 parliamentarians from 13 Latin American countries on a 2-day visit to Panama, condemned the U.S. aggression against this country and supported Latin American unity, plans for national liberation, and the people's self-determination.

The parliamentarians held a meeting with General Noriega, commander in chief of the Panama Defense Forces, President Solis Palma, and other government officials during which they compared the current situation of Panama, a product of the U.S. aggression, to that of other nations of the continent.

Legislator Miguel Gamel Nacul of Argentina stated that Carlos Saul Menen, the Argentine president-elect, has formulated a plan of national liberation and unity with the people, which includes solidarity with Panama.

"The struggle currently being waged by Panama is the same one that was waged by Cuba 30 years ago. It will continue to be waged, regardless of the fact that imperialism wants to impose its system on us," Cuban parliamentarian Roberto Luque stated.

Rolando Lucero, of the party founded by former Ecuadoran President Jaime Roldos Aguilera, stated that "people cannot live without sovereignty, just as a man cannot live without dignity."

He added that "the death of General Omar Torrijos was similar to that of Jaime Roldos." He noted that President Roldos died on 4 May 1981, 2 months later the same thing happened to Torrijos.

He said that "he would not be surprised if the black hand of imperialism had something to do with these two deaths" and explained that "as long as the political-military structure left by Torrijos exists in Panama, the canal treaties are never even going to be revised, much less annulled."

The Patriotic Unity Party of Nicaragua (Partido Union Patriotica de Nicaragua), through its parliamentarians, stated that amid the aggression suffered by the Nicaraguan people, "we are in a position to wage whatever struggle is necessary to defend the sovereignty of Panama, which is the sovereignty of Latin America."

Ambroix Diaz Estrella of the Dominican Republic said that, in Panama, they seek to confuse a domestic problem with an international one and that during this trying time, the heart of America is beating in favor of Panama.

### Solis Palma, Noriega Visit Border Area

*PA1706223289 Panama City Televisora Nacional in Spanish 2300 GMT 16 Jun 89*

[Text] President Manuel Solis Palma and Defense Forces General Manuel Antonio Noriega toured the Costa Rican border area. The visit by these high ranking government officials began in Progreso, where they inspected work being carried out by the Public Works Ministry [MOP] to rebuild the bridge on the Cuervito River destroyed by flooding last year. The MOP plans to rebuild the bridge and thus improve transportation to Puerto Armuelles.

Solis Palma and Gen Noriega stopped at the Banco Nacional installations, where Banco Nacional General Manager Rafael Arosemena and regional bank officers briefed them on the bank's work in the region. The bank officers took this opportunity to explain to Noriega and President Solis Palma the border area problems and the financial situation in the region.

The tour concluded in Paso Canoas where, as established in Decree No. 26 of 21 December, the Cabinet Council approved establishing a free zone. During a meeting with a large group of businessmen, President Solis Palma

admitted that progress on this project should have been greater. However, as soon as the decree was published, all manner of objections and fears were raised because this free zone could affect operations of the Colon Free Zone. Solis Palma mentioned that during a meeting with representatives from the Colon Free Zone and from the Chiriqui Chamber of Commerce, those participating in the meeting expressed willingness to hold a permanent dialogue and no desire to impose decisions. At this meeting, those who opposed the Paso Canoas free zone project expressed their views. It was then promised that the project would be postponed until after the elections, when analysis of the problem would be resumed, followed by a corresponding decision once the problems had been resolved.

Yesterday, border area residents were pleased to hear that customs authorities, the MOP, and the official land register officers have already outlined the area where the free zone will be established and the cost of the initial infrastructure. The plan to regulate operation of commercial and customs activities, which are similar to the Colon Free Zone activities, has already been prepared. A budget for the operation and management of the free zone has also been drafted.

Announcing the final decision President Manuel Solis Palma said: [Begin Solis Palma recording] The decision is—the free zone will be established. [applause] We have always had a broad-minded attitude, which unfortunatelly is not acknowledged and often used to harm us because we do not immediately take the corresponding steps. There are those who then talk about inefficiency, weakness, insecurity, and hesitancy. However, when we do make decisions, they say that Noriega is a dictator, that the government is a dictatorship and, in sum, that there is no democracy or respect for human rights. We are constantly being blamed for situations that do not correspond to reality, as [Legislator] Camilo Gozaine said. I want to make this clear at last! From now on, we will make decisions with absolute [words indistinct] [applause] in all respects.

We will take the necessary measures to ensure peace in the country, and the necessary measures to develop the country, to carry out national liberation, and to consolidate the republic, regardless of the opinion of others. As someone once said: If many are against me and I remain alone but I am right, then I am the majority. [Applause] We have the right and we are the majority. The free zone will be established. This should be clear. I just want to ask the government officials in charge of this project to implement the plan as quickly as possible, without wasting any time, because they have our support and undoubtedly the necessary support represented by the power of the FDP, the vanguard in the struggle to strengthen the nation and in the national liberation. With the FDP, the civilian government, and the decisions of our government officials, we can give the answers [words indistinct]. Thank you very much. [aplause] [end recording]

## Noriega Says Nicosia Possible Solution to Crisis

*PA1806191489 Panama City LA REPUBLICA DOMINICAL in Spanish 18 Jun 89 pp 1-A, 8-A*

[Text] In a meeting with President Manuel Solis Palma and General Manuel Antonio Noriega, commander of the Panama Defense Forces [FDP], labor groups of Bocas del Toro and Chiriqui Provinces maintained their strong stand against the oligarchy, colonialism, and a return to the past. These labor groups also rejected attempts to crush their gains.

For his part, Gen Noriega emphasized that he will not speak, in his capacity as FDP commander, with any emmisaries or with isolated forces in any room, suite, or palace.

He added that he will not jeopardize the FDP's destiny in discussions over political victories the opposition claims to have won. He stressed that this is his immutable stand on behalf of the FDP and the FDP General Staff. During a visit by the OAS special mission—made up of Foreign Ministers Diego Cordovez, Mario Palencia, and Sahadeo Basdeo, as well as OAS Secretary General Joao Baena Soares—to the FDP Headquarters on Panama City's A Avenue, Noriega noted that the FDP will serve as guarantors in a dialogue among political parties.

Gen Noriega said [former Authentic Panamenist Party presidential candidate] Hildebrando Nicosia, who is also claiming victory, is not being ruled out. He asked: Why can't Nicosia be the solution and become the president so that everyone can come to an agreement?

He maintained that his responsibility, as FDP commander, is to make sure that the FDP will not become a political prize or a tool to take advantage of social and labor gains by unions and the people's forces. Noriega said the intention behind a meeting between the military and the opposition is to disregard the rights gained by the people's forces.

He also emphasized that, as a last resort, if the opposition members do not have the ability to negotiate, they can bring their boss, the master of their hopes and destiny, the chief of clowns and ventriloquists who resides in Washington, D.C.

Furthermore, Gen Noriega said no one should be deceived: Decisionmaking power rests in the hands of the government of President Solis Palma, the Legislative Assembly, and the Assembly of Corregimiento Representatives. They decide the fate of our national leadership, and this decision will be fully guaranteed by the FDP.

He stressed that it must be realized that the country is going through a silent war and that under such conditions a nation cannot continue the poetic concept of democracy in a land of milk and honey.

**Ritter on Possibilities for Tripartite Dialogue**
*PA1706013089 Panama City Telemetro Television in Spanish 2342 GMT 16 Jun 89*

[Interview with Foreign Minister Jorge Ritter by unidentified reporter in Panama City; date not given—recorded]

[Text] [Ritter] Right now, the OAS commission members are waiting, in their respective countries, for a reaction from the three groups to whom a tripartite dialogue was suggested. The commission members may or may not return to Panama, depending on the groups' reactions to this suggestion. In other words, if the commission members find a receptive attitude to the proposal for a tripartite dialogue, they will return to facilitate the dialogue. Otherwise, I think it would be useless for them to return to Panama, because an agreement would be impossible.

Their main goal was to establish the mechanisms for a dialogue or help Panamanians establish the mechanisms. They suggested the idea and the Panamanians will decide whether or not they want to follow up on it. The outcome is now in the hands of the political alliances and the Panama Defense Forces [FDP].

[Reporter] Minister Ritter, do you think that a tripartite dialogue is feasible?

[Ritter] That depends on several things and the role played by each group. For example, the FDP have clearly stated what their role would be in a national dialogue. The opposition has also clearly stated its position, and the COLINA [National Liberation Coalition] parties have also stated their position in a clear way. We have to see if a tripartite dialogue is possible given these initial positions. I personally believe and hope that a dialogue is possible.

Following the OAS foreign ministers' visit and the first report that they presented to the organization—and the coverage given to their visit to Panama—I think that the idea about the country... [changes thought] It is clear that there is no violence in the country, as was implied, but this is a country afflicted by a profound political crisis. It is also a country facing an aggression, and the solution to the country's internal crisis is difficult given the monumental aggression and threat of the use of force that prevails in the country.

Consequently, no pressure is being exerted on the country. Quite the contrary, the Latin American community, in particular, and the European Community want the Panamanian problems solved internally without foreign interference. I, therefore, interpret the OAS foreign ministers' visit as a goodwill mission. They did not come to impose a solution or issue statements on matters that are solely the responsibility of Panama. They came to help us attain a solution—which is what the Latin American people hope for.

**Roundtable Discussion on Treaty Affairs**
*PA1606143389 Panama City Sistema de Television Educativa in Spanish 0235 GMT 15 Jun 89*

[Roundtable with guests Major Daniel Delgado, executive director for Panama Treaty Affairs; Legislator Luis Navas; Fernando Manfredo, deputy administrator of the Panama Canal Commission; journalist Luis Restrepo Rosas; and host Itzel Velazquez de Cortes in Panama City; date not given—recorded]

[Excerpts] [Passage omitted] [Cortes] Why does Panama have to appoint a canal administrator 6 months prior to when he should occupy that position? Is this an obligation imposed by the Torrijos-Carter Treaties? Can you explain what is involved in this Panamanian political obligation?

[Manfredo] One must stress the importance that this appointment has for Panama. The Panama Canal Treaty will last until [words indistinct] 31 December 1999. During the years that the treaty is in effect, the canal operates under the partnership concept. Panama and the United States will operate the canal jointly until the year 2000. Article 1 of the treaty establishes that the Republic of Panama—please note that I am saying the Republic of Panama—will have an increased participation in the management, operation, and maintenance of the canal. Further on, the treaty explains how this participation will take place: four of the nine members of the Board of Directors are Panamanians proposed by the Panamanian Government. The deputy canal administrator is also a Panamanian proposed by the Panamanian Government.

Effective 1 January 1990, the canal administrator position will be occupied by a Panamanian, who is also proposed by Panama. Thus, you can see that we are referring to Panama's representatives in the joint administration of the canal up to the year 2,000.

Although the Panama Canal Commission is a U.S. agency, it is a very special agency. No other U.S. agency has a binational board of directors and much less, is under the obligation of appointing non-U.S. citizens to its highest positions.

Paragraph 8, Article 10 of the canal treaty states that, in addition to Panamanians in top leadership positions, there will also be an increasing number of Panamanians in the labor force. Please note that this same paragraph 8 identifies the Board of Directors and the Administrator as the top leadership positions of the canal enterprise. That is why it is so important for Panama that the treaties be complied with and that the participation mentioned in them be fully implemented. However, this appointment must be made early enough.

[Cortes] Why?

[Manfredo] Because, unfortunately, there is a U.S. law, a law for the implementation of the treaty—a unilateral law approved by the U.S. Congress—that establishes a procedure not contemplated in the treaty itself. According to this law, before the U.S. President appoints the new administrator, he needs the advice and consent of the U.S. Senate. This is not stated in the treaty. It is an internal procedure that even opens the door to the possibility that the United States may fail to comply with the treaty. The U.S. President cannot appoint a person unless he has the Senate's consent. U.S. law says so.

Consequently, Panama must propose the name of a person early enough so that this internal U.S. procedure can take place.

[Cortes] Panamanian papers have mentioned that a possible date for this appointment is 1 July. Why 1 July? Why not another date? Why could it not be 2 months later or...

[Manfredo] It does not have to be 1 July. It could be later. However, I have experience in dealing with the U.S. Congress and can assure you that the procedure of going through the Senate takes at least 4 months. Therefore, a basic rule of caution tells Panama to propose the name ahead of time. In addition, if there are any problems in the process of approving the Panamanian appointee, Panama can then exert any pressure that is necessary so that the United States will comply with the treaty. [passage omitted]

[Cortes] Legislator, I would like you to explain something for me. Legally speaking, the Torrijos-Carter Treaties say that the Panamanian Government will appoint an administrator.

[Navas] The Panamanian Government proposes and the U.S. Government confirms the administrator.

[Cortes] Right. However, the Panamanian Government is represented by the Executive Branch, not the Legislative Assembly. Isn,t there a legal loophole here? Your interpretation of the treaties seems to be different from what the Treaties say.

[Navas] The treaties do not say who should [interrupted by Cort].

[Cortes] Who do we mean when we say the government?

[Navas] The Panamanian state is made up of three branches—the legislative, the executive, and the judicial. The Constitution says the executive branch can make those appointments not stipulated by law. In this case, interpreting a constitutional precept, we are having the assembly make this appointment. In addition, we are using a mechanism that cannot be questioned by the U.S. Government. The U.S. Government does not recognize the Panamanian Government, but keeps relations with a nonexistent government, specifically represented by former President [Eric Arturo] Delvalle. The executive branch waives this appointment to avoid this difficulty.

[Cortes] In other words, this is a political (?instrument).

[Navas] Of course, this is a political and a constitutional move. Nothing can prevent us from taking actions like these at this particular time. Also, after consulting with the minister in charge of the Presidency, he told us he does not think the functioning of the executive branch is diminished by this legislation.

[Cortes] Anyway, this would have to be discussed in another debate. Major [Daniel] Delgado, legislator Navas has pointed out that Panama lacks the proper legislation for implementing the Treaties. As the executive director of the Panama Canal Affairs Commission of the Foreign Ministry, would you please point out this legislation gap for us. My first question is, why has the Panamanian Government waited 10 years to realize the existence of this gap?

[Delgado] It is up to the Executive Directorate of the Panama Canal Treaties Affairs to interpret the Treaties, follow their implementation, and report to the Executive Branch on the Treaties' implementation through the Foreign Ministry. We do not have the proper legislation at present. Several laws have been proposed by the Legislation Commission and the Legislative Assembly, related to the Treaties implementation by Panama, during these past 10 years.

[Cortes] In other words, laws have been passed.

Right. We believe, however, that most of these laws have been of a jurisdictional type that deals with the use of the Canal area resources. We believe most of these laws have encroached upon the Panamanian Government and limited the use of area resources. These properties have been preserved and protected to some extent, but in practice the Panamanian people have not profited from the use of these reverted areas. We have not been able to scientifically, technically, politically, and economically use these areas for the good of the Panamanian people. Laws dealing with the use of resources have indeed been approved.

I want to make some remarks concerning the appointment of the adminstrator and the proposed legislation. We must stick to the Treaties provision. As Manfredo said, we should have a Treaties implementation law. We think, however, that it would have been useless for Panama to have a Panamanian version of Law 96-70. The law that Panama should have approved should have been designed to make the Panama-U.S. association feasible so the Treaties could be fulfilled. This government has said that Law 96-70 has, in effect, substantially modified the Treaties provisions. This is why Panama has reported this law as violator of the Treaties. We have

also said that the application of this law...[changes thought] The United States has said: We have not violated, but have been complying with the Treaties. I say, however, that the U.S. Government is not complying with the Treaties, but with Law 96-70 which, in practice, modifies the Treaties. This law even violates the Vienna Convention on International Treaties, article 27 of which stipulates that no local law of any state can be used to justify noncompliance with an international agreement. We think Law 96-70 and what has been proposed concerning the appointment of the administrator violates the Treaties.

As Manfredo said, the problem does not lie with the Panamanian Governmemt. Manfredo clearly explained that he refers to the Republic of Panama, but who in the Republic of Panama is being referred to has not made clear. The legal representative should appoint the administrator, who should begin his activities on 1 January 1990. So it is the Republic of Panama that is being referred to. The Treaties do not specifically mention any one in particular in Panama. Consequently, the U.S. argument is rendered invalid because it is the Republic of Panama to which the United States should report on the appointment through this country's legal representative, recognized throughout the world.

In practice, we should start legislating on this. This legislation should not deal with the appointment of the new administrator only. The deputy administrator has perhaps been victimized by the absence of a law that stipulates his functions. The legislation under discussion should also include the responsibility with Panama of all the top Panama Canal officials included in the Treaties. I mean, all the Panamanian directors and Panamanian citizens working for the Panama Canal Commission, who will be managing the Canal in the year 2000. We liken the transfer of control of the Canal from the U.S. Government to Panama to the handing over of a key, because during the remaining period of time and according to the increasing participation principle, we should gradually fill all the positions with the personnel required to manage the Canal. [Passage omitted]

[Cortes] Mr Luis Restrepo Rosas, you as a newsman have been present at several important and historic crossroads in Panamanian-U.S. relations. Do you think the U.S. Government will appoint a Panamanian administrator?

[Restrepo] Thanks for inviting me to this roundtable. I must first say that there is a problem here. The Panamanian people are unaware of the significance of 1 January 1990 for the homeland. For the first time in the history of Panamanian-U.S. relations, a Panamanian citizen will manage the Panama Canal. When Panama was part of Nueva Granada, Colombia decided who and which corporation would work on the canal. When the republic was created, this authority was handed over to the United States. On 1 January 1990, and for the first time, a Panamanian citizen will manage the Panama Canal, thus breaking this historic chain we have been dragging.

Based on what I have observed, I am convinced that the U.S. Government will not appoint a Panamanian administrator, because U.S. interests in Panama go beyond the canal. The U.S. Government is greatly interested in the Pacific Ocean, which is of foremost importance. Panama is strategically located for control over the Pacific Ocean. Moreover, although we do not have a strategy, the United States does. Its strategy has gradually been developed. The United States will perhaps remain inactive for 1 month, but then it will attack twice in a row. The United States has created all the necessary mechanisms to ensure that a Panamanian administrator will not have any functions at all. [passage omitted]

[Cortes] Legislator Navas, I believe that all of you agree that no legislation exists to deal with the appointment of the administrator. You, as a legislator, have an additional political responsibility. Why have we waited so long to propose a candidate for administrator? Only a few weeks remain before the deadline. This is particularly important at a time when the situation has noticeably worsened.

[Navas] We can say that there are several reasons for this. Personally, I would say that after General Omar Torrijos' death, a number of forces, both from inside and outside the country, tried to chart a specific course for Panama. Internal disagreements resulted in the postponement of addressing the fundamental problem of our relations with the United States. Minor disagreements over our relations with the United States delayed attention to this essential problem. The important thing now, however, is to resume some of these tasks and to unify the nation's will to the extent possible so that we can make important and historic achievements.

The Panama Canal has been operational and managed by foreigners for 4 centuries [as heard]. I believe that we can learn from history. We should not look at the appointment of the canal administrator pessimistically. We should tackle the problem carefully but without fatalism. The U.S. Government has no intention of complying with the treaties, and not because of its political relations with Panama in recent years. When President Ronald Reagan assumed office, his beliefs were used in the famous Santa Fe document, which reports the treaties. Reagan criticized and fought the Carter government because Reagan said that Carter had made a very generous concession to Panama. The Panamanian people's ability to manage and protect the canal has also been questioned over the years.

I want to point out again that, taking lessons from history, we should abandon the narrowness of the bilateral framework. What does this mean? We cannot view our relations with the United States as determined solely by the United States. We should make the canal users

and all countries participate and share in this experience. [passage omitted] [Cortes] It has been said that it is too late to decide on the expansion of the Culebra cut.

[Manfredo] Well, there are ways to accelerate the work. It could take between 5 and 11 years. However, this task must be tackled. This is one of the responsibilities of the Panamanian administrator. It is also necessary for the administrator to preserve the canal's credibility and reputation. Even more important, the Panamanian administrator must reflect, through his actions and work, what will become of the canal after it begins to be managed by a Panamanian. The international maritime community is concerned over what will become of the canal once it is in Panamanian hands. If there is a Panamanian administrator and this person acts in a responsible, serious, and professional way, this would be the greatest contribution toward clearing any doubts about whether Panamanians can handle the canal.

In addition, it is important to consider how this Panamanian administrator handles relations with the United States. For instance, he will have to present the canal's budgets and proposed investments to the U.S. Congress. He will have to convince the Congress that such investments are necessary and that the idea is not merely to help Panama. The administrator will have to be able to handle questions such as why investments have to be made and if Panama wants to take delivery of a brand new canal. Therefore it will be an important task for him to know how to relate to the U.S. Congress and Administration. When he presents an investment proposal, everybody involved will have to be sure that this is not a little trick to assist Panama, but truly necessary for the canal. These are some of the great tasks that a Panamanian administrator will have to cope with over the next 10 years; hence the importance of selecting a suitable person.

[Cortes] May I ask you a question? When I hear you describe the challenge that the new administrator will face, I recall that the Panamanian papers have mentioned the names of the possible candidates. Do you want to hold this position?

[Manfredo] No. One of the reasons I have said that I am not interested in the post is to be as free as I am now to point out the requirements of a Panamanian admnistrator. No one should believe that I am interested in this position. I have said this very clearly. Not only that, I told the Panamanian Government approximately 1 and ½ years ago that I was willing to resign so that a person could be appointed to replace me. This person could become the administrator later and gain the sufficient experience in these 1 and ½ years. [passage omitted] It would be a very good idea to select the candidate for canal administrator at this time because he could begin to acquaint himself, not only with canal operations, but with the administration of the canal. [passage omitted]

## Arias Discusses COLINA Role in Dialogue

*PA1606192389 Panama City La Voz de Panama in Spanish 1700 GMT 16 Jun 89*

[Text] Opposition leader Ricardo Arias Calderon has said that the presence or absence of representatives from the National Liberation Coalition, COLINA, in the dialogue promoted by the OAS is secondary because that government coalition did not win the 7 May elections nor does it hold power in our country.

Arias Calderon said that the opposition reaffirms its willingness to participate in a direct dialogue with the military but that this proposal has reached an impasse because General Manuel Antonio Noriega [commander in chief of the Panama Defense Forces] left the request made through the OAS foreign ministers pending. He also announced that he, along with Guillermo Endara and Guillermo Ford, the other two opposition candidates, will resume visits to various popular sectors next week.

[Begin Arias Calderon recording] We have said that a dialogue may lead to a transfer of power. However, no dialogue can yield such a result unless it involves direct talks between ADOC [Civic Democratic Opposition Alliance] members and the military. Once we find out whether the military is willing to hold direct talks, then we will be able to answer questions on secondary aspects of the dialogue.

The presence or absence of COLINA at a dialogue is certainly a secondary consideration because COLINA did not win the 7 May elections, nor does it hold power. Therefore, COLINA, on its own, is in no condition to guarantee a transfer of power. As long as we are not informed about whether the military is willing to hold direct talks with the ADOC candidates, then there is no sense in answering questions of secondary importance. [end recording]

## Opposition Requests Direct Dialogue With Noriega

*PA1706021289 Panama City Circuito RPC Television in Spanish 2337 GMT 16 Jun 89*

[Text] The Civic Democratic Opposition Alliance [ADOC] has requested a direct dialogue with General Manuel Antonio Noriega [commander in chief of the Panama Defense Forces (FDP)]. This announcement was made during a dinner given by the National Council for Private Enterprise, CONEP, in honor of ADOC leaders Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford.

[Begin recording] [Reporter] The CONEP sponsored a dinner honoring Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford, former ADOC candidates for president and vice president. The dinner, which was attended by hundreds of local businessmen, began with a

speech by CONEP president Alberto Boyd, who expressed his respect for the presidential ticket, which participated in the past 7 May elections.

Ford, Arias Calderon, and Endara also spoke at the dinner, and commented on Panama's current political situation.

[Ford] The Panamanian people's clear and strong mandate is so absolute that we could never shrink from it. It is a mandate we are honored to obey. We cannot turn our backs on the Panamanian people's demand for self-determination, which was heard around the world, even if it would be easier for us to do so. As Mr Endara said, we want no juntas of any kind—big or small! Endara's victory will have to be recognized. [applause]

[Arias Calderon] Mr President-Elect, you carry a new vision of the fatherland. The youth of Mendez Pereira's university [the University of Panama] are with you. The conscience of our Church's bishops supports you. Panama's private enterprise supports you in its willingness to produce and to work. They are not supporting you for their own interests. They are supporting you to to make this vision of a democratic fatherland for all Panamanians a reality! [applause]

[Endara] Our nation continues to suffer repression. It continues to withstand a crisis. Our nation is sinking. The FDP itself is deteriorating. We are living an endless drama that is extremely dangerous for our nation's future. In light of this dramatic reality—and conscious of the mandate the people gave us to represent them, which was expressed on 7 May—the ADOC presidential ticket states the following:

1. We are willing to immediately begin direct talks with the FDP and its commander in chief as soon as possible, so that we can reach a national agreement ensuring the transfer of power on 1 September 1989. [applause]

2. If the FDP insists on having the National Liberation Coalition [COLINA] participate together with them in this dialogue, we will not be opposed.

3. Each of the involved parties must be given the right to propose whatever issues it considers essential. It must also have the right to express its intention to propose these issues in advance. This intention shall not be a precondition.

4. In these talks, we will propose three fundamental issues for discussion: the enforcement of human rights and constitutional guarantees; respect for the Panamanian people's sovereign will, expressed on 7 May; a change in the FDP command; and compliance with constitutional laws by the public forces. [end recording]

## Further on ADOC Request for Talks With FDP

*PA1906151689 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Jun 89 p A-7*

["Declaration of the Civic Democratic Opposition Alliance presidential ticket at the end of the second visit of the OAS delegation"; issued in Panama City on 16 June; published as paid advertisement]

[Text] On 6 June, the 21st consultative meeting of the OAS foreign ministers extended until 19 July the mandate that the OAS foreign ministers delegation was given through a resolution issued on 17 May.

As a result, the foreign ministers delegation visited us for the second time with the same original objective, which, according to the resolution, is "to urgently promote formulas of agreement to achieve a national agreement that will ensure, within a democratic framework and as soon as possible, a transfer of power with full respect for the sovereign will of the Panamanian people." The delegation also visited us with the same original position which, according to the resolution, believes and suggests that "the grave events and the abuses committed by General Manuel Antonio Noriega during the crisis and the electoral process" are the main obstacles to the transfer of power.

The ADOC [Civic Democratic Opposition Alliance] presidential ticket, like the overwhelming majority of the Panamanian people who supported us on 7 May, shares that objective and this position stated in the OAS resolution. We have therefore proposed direct talks between the ADOC and the Panama Defense Forces [FDP] as the means of achieving a national agreement to bring about a democratic transfer of power.

Since 1968, the FDP has held real public power, as has been acknowledged and demanded by its successive commanders in chief and as demonstrated by the current Panamanian situation. That is why its participation and not merely its endorsement is required to achieve a national agreement that will ensure a transfer of power. Unfortunately, no formula of agreement was achieved at the end of the second visit of the foreign ministers delegation basically because Gen Noriega has yet to agree to hold direct talks with ADOC.

As a result, our people continue to suffer from the crisis and repression. Our country is sinking. The FDP is deteriorating. We are experiencing an endless trauma that is extremely dangerous for our nation's future.

In light of this dramatic situation and aware of the mandate the people gave us on 7 May to represent them, the ADOC presidential ticket states the folowing:

1. We are willing to immediately begin direct talks with the FDP and its commander in chief so that a national agreement can be reached as soon as possible to ensure a transfer of power on 1 September 1989.

2. If the FDP insists on having the COLINA [National Liberation Coalition] ticket participate with it, we will not be opposed.

3. Each of the parties must have the right to propose the issues it considers essential and to announce beforehand that it will propose them, something that shall not be a precondition.

4. In these talks, we will mainly propose three issues: the enforcement of human rights and constitutional guarantees; respect for the Panamanian people's sovereign will as expressed on 7 May; a change in the FDP command; and compliance with constitutional provisions by the public forces.

5. Once reconciliation is achieved regarding the issues proposed by the parties, the resulting national unity will allow the country to solve its serious external problems.

6. We reaffirm our unwavering position that the canal's nationalization is irreversible, in accordance with the current canal treaties.

7. We will make known this declaration to the OAS foreign ministers delegation in the hope that it will promote this formula of agreement.
Panama, 16 June 1989
Guillermo Endara Galimany, president - elect
Dr Ricardo Arias Caldernon, first vice president - elect
Guillermo Ford, second vice president elect
ADOC

## Ford Discusses Solutions to Country's Crisis

*PA1606191089 Panama City La Voz de Panama in Spanish 1725 GMT 16 Jun 89*

[Text] Guillermo Ford, former Panamanian second vice presidential candidate for the Civic Democratic Opposition Alliance, ADOC, said that any solution to the country's crisis that does not include the recognition of the people's will expressed in the 7 May elections is a crude coup d'etat. Ford stressed that formulas proposing the formation of a military junta, provisional government juntas, or constituent assemblies violate the Constitution and therefore represent another form of coup d'etat.

Guillermo Ford added that the opposition wants a transfer of power and not a transfer of government—not one in which real power remains with the military while only the president is changed, as has been the case during the past few years. Ford gave more details in the following interview:

[Begin Ford recording] Any formula that goes against the Constitution is a coup d'etat. I believe, I am sure, the OAS cannot promote a coup in Panama, because that would be internationally regarded as an immoral action. Our Constitution is very clear. On 7 May, the Panamanian people exercised their right to self-determination, and we know what the results of the elections were. We can provide evidence of the election results. On 1 September, there must be a transfer of power in Panama. Any magic formula that includes the formation of military juntas, or combined juntas of military and civilians, or constituent assemblies would be a crude coup d'etat, and those who carry it out will have to bear responsibility in their consciences. [end recording]

## Editorial on Arias Calderon's Alleged Objectives

*PA1606231589 Panama City MATUTINO in Spanish 16 Jun 89 p 4*

[Editorial: "The Absurd Objectives of the ADOC Lord"]

[Text] The continent has not seen such an evident case of acute megalomania as the one affecting the leader of the Christian Democracy in Panama [Ricardo Arias Calderon], who is now proclaiming himself to be lord and master of the Panamanian opposition.

The serious personality problem of this ill-fated individual is affecting his psyche and making him talk profusely; it has produced indelible marks that are swiftly changing the configuration of his face, uncovering his false bonhomie and real face—a face with the acute eyes both friendly and enemy cartoonists have found to be very similar to that of the sinister lord of the Carpathians, the legendary Count Dracula.

The inventor, protagonist, mastermind, and active participant in the monstrous fraudulent 7 May movement—after having open-handedly distributed the money he obtained in the United States and elsewhere—the lord (so he thinks) of the Civic Democratic Opposition Alliance [ADOC] traveled to the United States in an attempt to defend the results of the mess he created with the money he obtained.

With that objective in mind, he lobbied, begged, flattered, promised, and crept throughout that country; he even expected access to places where he does not belong because of his total lack of representativity.

Now that all paths—which seemed so broad and clear to him as to be transported on a palanquin to the Presidential Palace of the Herons—are closing up to him, the skinny local version a small Dracula has applied a different strategy: Wherever he goes, he is proposing a dialogue with General Noriega. Blinded by an aberrant desire to become president, he thought this plan would win him the following personal and political successes:

First: If the general accepts a dialogue, the ADOC foreman would manage to be first in line by virtue of the involuntary displacement of Endara and reach the same level of attention that the commander of our Panama Defense Forces [FDP] has at the continental level. That alone would be a great gain.

Second: If during the dialogue this dreamer imagines, Gen Noriega rejects his long-known preconditions, the individual in question would say to the world that the high-ranking officer was intransigent and thus, the OAS, United Nations, and all world courts should jump all over Panama and the Panamanians who dare to defy Mr Bush's attempt to retain and remain in the Panama Canal.

Third: If any of his preconditions are accepted, even if only in the very distant future, the small Dracula would say to the world he was able to quickly obtain what two U.S. Presidents have not been able to obtain for many years.

Fourth: However, this individual nurses yet another hope for a victory: If Gen Noriega were to only agree to sit at a negotiating table to discuss politics with the Christian Democratic centurion, Noriega would be contradicting his own correct thesis that our political problems pertain only to political parties, that the FDP should limit itself in all cases to being the guarantor of any commitments reached by those parties. There is more: Our constitution (Article 305) bans the FDP from participating in partisan politics except that its members exercise the right to vote. Nobody can demonstrate that Gen Noriega has shown political favoritism for one side or the other. Such actions can happen in the United States where they are allowed in the law and constitution, but there is no evidence whatsoever of that happening here. If the commander agrees to hold talks with a politician amid political controversy, he would be violating a constitutional provision that is clearly and categorically specified in form and substance.

Finally, because the ADOC's "condottiere" has failed to trap anyone, this individual—in his obsessive convulsion—is now visiting schools to defy in a singular battle no other than the person who will not do him the favor of paying attention.

There remains only one recourse to him, which he will not take long to implement: Fill a bag with rough stones, get a sling shot, and fire stones one after another.

## Argentina

### Future Minister, Bank Head Travel to Caracas

*PY1706025789 Buenos Aires TELAM in Spanish 2039 GMT 16 Jun 89*

[Text] Buenos Aires, 16 Jun (TELAM)—Central Bank President Enrique Garcia Vazquez and Foreign Minister-designate Domingo Cavallo left for Caracas this afternoon to participate in the Group of Eight meeting.

At the Ezeiza International Airport, Garcia Vazquez said that the meeting will "discuss the main economic problems of each country in connection with the foreign debt and the 20-percent reduction" of each loan that the Latin American countries are planning to obtain from creditor banks.

Cavallo explained that his "was not a joint mission" because he will attend the meeting merely as an observer on behalf of future Economy Minister Miguel Roig.

### Future Foreign Minister on Economic Priorities

*PY1806003489 Buenos Aires TELAM in Spanish 2208 GMT 17 Jun 89*

[Excerpt] Caracas, 17 Jun (TELAM-PRENSA LATINA)—The economic strategy of the Justicialist government in Argentina will seek to reduce the country's fiscal obligations and, above all, alleviate the uncertainty caused by the continuous process of foreign debt negotiations.

This assertion was made by Domingo Cavallo, the future Argentine foreign minister, who is attending as an observer a meeting of economy ministers of the Group of Eight now being held in Caracas. He said that "the order of priorities for the Menem government will be curbing hyperinflation, revamping the internal economy, and renegotiating the foreign debt."

In the opinion of Cavallo, who was Central Bank president under the last military government, "the idea is to try to reduce the bulk of the foreign debt and the interest rates."

He added that "given the serious situation of the Argentina economy, which is experiencing a very high rate of inflation and a dramatic slowdown of economic activities, compounded by unemployment and its social consequences, the first priority is to halt the hyperinflation."

Cavallo recalled that since May 1988 Argentina has not been paying the interest on its foreign debt, and he pointed out that repayments cannot be resumed before the internal economy is straightened out. He said: "The point will be to keep the servicing of the foreign debt from increasing the internal debt, as has happened in other countries, as well as to spare the country from the uncertainty of continous foreign-debt negotiations and the dependence on promises of new money." [passage omitted]

### Discussion of Amnesty Issue With Menem Denied

*PY1606153089 Buenos Aires Domestic Service in Spanish 0200 GMT 16 Jun 89*

[Report from Government House by reporter Marta Lopez]

[Excerpt] [Passage omitted] According to the newspaper AMBITO FINANCIERO, President Alfonsin allegedly presented to President-elect Carlos Menem a draft bill to pardon the military officers. This report has led the government to make a declaration, which was read by presidential spokesman Jose Ignacio Lopez:

[Begin Lopez recording] If the subject of the newspaper article were not as important as it is, it would have been enough to say that there has never been an Executive Branch decree signed by a citizen who is not a government member [sentence as heard].

Given the importance of the subject, the media has asked the president to clarify the historical facts of the talks he held with Menem in Olivos on 31 May.

However, the president believes that if he reveals what was said during the talks, it would go against his principles and show disrespect for the national institutions.

It must, nonetheless, be clarified that—as the delegates of President Alfonsin and President-elect Menem, Terragno and Senator Eduardo Menem, respectively, have said—the military issue is not a transition subject and it has not been a subject of negotiation. [end recording]

The report that was published by AMBITO FINANCIERO was also denied this morning by UCR [Radical Civic Union] Senator Fernando de la Rua, who categorically rejected it. De la Rua said that, as far as he knew, the military subject was not discussed, but only Menem and Alfonsin can clarify it. De la Rua said that this subject has not been discussed in the talks so far.

### Deputy Bauza on UCR-PJ Transition Agreement

*PY1606155089 Buenos Aires Domestic Service in Spanish 0200 GMT 16 Jun 89*

[Report from Congress by reporter Miguel Azeyan]

[Excerpts] The Radical Civic Union [UCR] and Justicialist Party [PJ] committees for the transfer of power, which met in the Senate, have come to an agreement and decided that the presidential transmission ceremony should take place on 8 July. [passage omitted]

PJ Deputy Eduardo Bauza, future interior minister, stated:

[Begin recording] The transition committee will continue working until 10 December, when the new congressmen will assume their posts, reflecting the results of the 14 May elections. In the meantime we must discuss some issues to reach agreements.

Today we arrived at our first agreement, by which the UCR promises to approve the laws proposed by the Executive Branch or the PJ from 8 July to 10 December.

This is an important agreement because it demonstrates the political maturity of the two political parties toward facing this crisis or irregular situation in the Chamber of Deputies, where the PJ will not constitute a majority until 10 December. [end recording]

Bauza added that the military subject was not discussed during the meeting held in the Senate.

Meanwhile, UCR Deputy Leopoldo Moreau, Chamber of Deputies president, said he will continue in his post until President Alfonsin steps down from power. [recorded passage omitted]

### Parliamentarians Leave for Panama Rally

*PY1606230089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2155 GMT 16 Jun 89*

[Text] Buenos Aires, 16 Jun (NA)—A multiparty delegation of Argentine parliamentaries today traveled to Panama, where they will participate in a rally of solidarity with the Panamanian people scheduled for tomorrow. Among those who left are Deputies Miguel Monserrat, Jose Carlos Ramos, Hector Dalmau, Jose Pedro Aramburu, and Guillermo Estevez Boero.

### Appointment of Intelligence Officials Announced

*PY1606193389 Buenos Aires DYN in Spanish 1740 GMT 16 Jun 89*

[Text] Buenos Aires, 16 Jun (DYN)—It has been officially reported that in the last few hours President-elect Carlos Menem and State Intelligence Secretary-designate Juan Bautista Yofre have appointed Secretariat for State Intelligence (SIDE) under secretaries to be installed in the Justicialist administration.

Police Commissioner Jose Roberto Scopa, retired, will be interior under secretary, Horacio Rodriguez Larreta will be the logistics under secretary, and Atilio Molteni will be the foreign under secretary.

The Media Undersecretariat is to have a different function and will "help the SIDE became closer to the people through factual reporting via the media."

The head of this Undersecretariat, who will have a very important political role, will be journalist Mario Baizan. The official report emphasized that there will be no (repeat no) other SIDE undersecretariats in addition to the aforementioned ones.

### Navy Chief of Staff on Luder's Appointment

*PY1606232089 Buenos Aires DYN in Spanish 2050 GMT 16 Jun 89*

[Text] Bahia Blanca, 16 Jun (DYN)—Rear Admiral Ramon Arosa, chief of staff of the Argentine Navy, today called for a swift solution "to the problem" of military officers on trial for violations of human rights. Adm Arosa added that Defense Minister-designate Italo Argentino Luder "is respected in the Armed Forces."

When asked for an opinion about a possible pardon for military men indicted for violating human rights during the de facto regime, Adm Arosa said: "I would like some solution to be found to this problem. I have said so many times, because I believe that it would be a way of closing a very painful chapter for our society and also because I believe that it is time to start looking into the future."

The Navy chief of staff made these remarks to journalists at the Comandante Espora Naval Air Base, where he presided over the ceremony marking the 50th anniversary of the base.

Asked about the defense minister-designate, Arosa answered: "I believe that he is highly respected in the Armed Forces. He will have the sensitive task of bearing with those of us in charge of commanding them. I am sure that he will do a good job."

The admiral made it clear that his comments about Luder were "strictly personal" and that they did not reflect to "official" viewpoint on this appointment.

On President Raul Alfonsin's method of turning over power, Arosa said: "It is not my business to discuss this subject or to pass judgment on the choice of ministers."

Asked whether he is planning to ask for retirement when President-elect Carlos Menem takes over, Arosa answered: "I do not know what is in store for me in the near future, nor do I know whether I will be replaced. I have not had a chance to talk with the defense minister-designate or with the president-elect."

Arosa did say, however, that after the meeting between Defense Minister Horacio Jaunarena and Italo Luder "we will hold a meeting of chiefs of staff to discuss the issue."

### Future Health Minister Announces Appointments

*PY1606190589 Buenos Aires TELAM in Spanish 2322 GMT 15 Jun 89*

[Summary] Buenos Aires, 15 Jun (TELAM)—Designated Health Minister Julio Corzo has announced in a news conference the name of his future aides:

Fernando Galmarini, as sports and social promotion secretary; Livio Forneri, as sports under secretary; Miguel Elias, as social promotion under secretary; Antonio

Pacheco, as human development and family secretary; Jose Atilio Alvarez, as minors, handicapped, and third age secretary; Carlos Rosales, as youth under secretary.

Corzo also announced that Jose Abraham will be in charge at the Housing Secretariat; Jorge Banalcazar at the Housing Administration and Financing Undersecretariat; Cesar Ramon Salas at the Housing Undersecretariat; Jose Maria Maza at the Housing Loans and Savings National Institute; and Luis Barrionuevo at the Health Insurance National Administration.

Deputy Ruben Cardozo, future social action secretary, announced that Oscar Martinez will be in charge at the Social Emergencies National Directorate; Alejandro Carlos Sangenis at the Health and Social Action Cabinet; and Elpidio Torres at the Housing Sector.

### Alsogaray Turns Down U.S. Ambassadorship

*PY1706153789 Buenos Aires DYN in Spanish 2250 GMT 16 Jun 89*

[Text] Buenos Aires, 16 Jun (DYN)—Deputy Alvaro Alsogaray has released a note explaining his participation in Carlos Menem's future administration. The note states:

"Yesterday, Tuesday 15 June, Dr Carlos Menem asked me to be the Argentine ambassador to the United States during his administration. In a meeting held at 1200 today, Friday 16 June, I told Dr Menem that I regretted not being able to accept the position for personal reasons. I added that I was ready to cooperate with his administration in all matters related to my appointment to Washington, but through other channels.

"We have exchanged ideas on how this cooperation could be rendered, and Dr Menem said he would let me know about them on 20 June.

"I want to make clear that I have not conditioned my cooperation to any demands. My cooperation will be based on the general guidelines established by Dr Menem so far. I must add that these guidelines are perfectly compatible with the ideas I have been defending throughout my political life."

### Defense Minister-Designate Names Aides

*PY1706154689 Buenos Aires TELAM in Spanish 2006 GMT 16 Jun 89*

[Text] Buenos Aires, 16 Jun (TELAM)—Defense Minister-designate Italo Luder has announced the name of his key aides.

In a communique, Luder reported: Miguel Jose Cuchietti, a lawyer and public accountant, will be in charge at the Production for Defense State Secretariat; and Roberto Doglioli will be at the Technical Planning State Secretariat.

Ricardo Luis Luder and Colonel Alfredo Diaz, retired, will be under secretaries at the aforementioned secretariats.

### Central Bank Raises Ceiling on Withdrawals

*PY1606142089 Buenos Aires Domestic Service in Spanish 0200 GMT 16 Jun 89*

[Text] As of tomorrow, the Central Bank will raise the ceiling on cash withdrawals from current accounts, savings accounts, and time deposits to 200,000 australes.

The Cental Bank has also decided to suspend as of tomorrow the opening of new adjustable deposits which earn interest based on the dollar exchange rate, Bonex [Export Bonds] quotes, and price-interest rates [as heard]. However, it has created an adjustable deposit system for importers of pharmaceutical products.

The restriction on cash withdrawals is not applicable for the payment of salaries, withdrawals by court order, and financial institution withdrawals to pay unemployment funds or purchasing plans [circulos cerrados].

The Central Bank said that the 200,000-austral ceiling on withdrawals from current and savings accounts can be made daily, but withdrawals for other operations must be made every time a contract falls due.

### Central Bank Devaluates Austral by 4.48 Percent

*PY1706154589 Buenos Aires TELAM in Spanish 1939 GMT 16 Jun 89*

[Text] Buenos Aires, 16 Jun (TELAM)—The Central Bank has devaluated the austral by 4.48 percent by increasing the official exchange rate in relation to the dollar to 208 australes to buy and 210 to sell.

The previous rate stood at 199 and 201 australes, respectively.

The U.S. currency has an accumulated increase of 14.13 percent since the rate on 9 June was [figure indistinct] to buy and 184 to sell.

## Bolivia

### U.S. Troop Presence in Santa Cruz Questioned

*PY1506140689 La Paz La Red Panamericana in Spanish 1130 GMT 15 Jun 89*

[Text] General Edwin Peredo, commander in chief of the Bolivian Armed Forces, has no information regarding the presence of U.S. troops and materiel in Santa Cruz Department.

Gen Peredo said he is waiting for a report from the Bolivian Air Force concerning the presence of U.S. troops in Bolivian territory. He said these troops are not connected with the project being undertaken in Potosi.

Peredo said: I have no information. I do not know whether these are armed of unarmed personnel. He noted, however, that these troops might be in transit to a neighboring country.

Reports from Santa Cruz state that an undetermined number of military personnel and materiel, including fighter bombers, arrived from the United States at the Santa Cruz airport.

Contradictory reports attributed to officers stationed in Santa Cruz indicate that U.S. military personnel entered Bolivia in transit to Paraguay and that they had nothing to do with the U.S. troops working in Potosi.

Gen Peredo said he requested information (?from the Air Force) to verify whether the report is true.

In accordance with the Bolivian Constitution, any foreign military personnel, especially armed troops, must have congressional authorization to enter the country in transit to a third country.

### Minister Comments on U.S. Troop, Plane Arrival

*PY1606140089 La Paz La Red Panamericana in Spanish 1130 GMT 16 Jun 89*

[Text] U.S. military experts began to arrive in the country to do leveling work at Pati-Pati Hill, near Capitan Rojas Airport in Potosi. Nearly 300 U.S. military personnel are expected to arrive.

Commenting on this subject, Aeronautics Minister Jaime Zegada Hurtado said that the U.S. military task group consists of technicians, logistical personnel, and soldiers.

Zegada said the U.S. military personnel will go to Potosi in the next few days. He added that last Wednesday a train transported the heavy equipment required to do the work. He said that it will thus be able to satisfactorily keep the work timetable, which will start this weekend.

[Begin Zegada recording] The first technicians have already arrived in Potosi to start working. The Development Committee and the Auxiliary Air Navigation Services Administration are seeking ways to make this work as acceptably as possible. [end recording]

Zegada said that on a time-available basis, the U.S. military personnel could engage in civic actions in Potosi as announced earlier. He said they could do some repair work in schools located near the Potosi airport and they could also provide dental and first aid services because they have adequate medical equipment.

Zegada also told Panamericana that U.S. airplanes landed at Viru Viru Airport in Santa Cruz on their way to Montevideo, Uruguay.

Two (Hawk 37) planes and a tanker landed at the Santa Cruz airport upon receiving authorization from Bolivian officials, Zegada said.

Zegada said the U.S. planes made a technical stopover at the Bolivian airport. He noted that Bolivia is a signatory of an international agreement whereby it is forced to allow this type of emergency operation.

Zegada said: We cannot deny landing authorization to planes requiring refueling. Thus, this was a legal operation. These planes only made a stopover.

He added that on their return trip from Uruguay, these planes could stop again in Bolivia for refueling before returning home.

Zegada said that in keeping with the Chicago international agreement, any plane may make a technical stopover in Bolivia.

Zegada said he had no information about Bolivian Air Force planes bombing roads leading to the Chapare region. He said the Air Force is not authorized to engage in this type of action.

### DEA, UMOPAR Blamed for Chapare Explosions

*PY1606160589 La Paz La Red Panamericana in Spanish 1130 GMT 16 Jun 89*

[Excerpt] Jose Luis Flores, a leader of the Bolivian Labor Confederation, has announced that a meeting of government officials and coca growers will be held this weekend to discuss the consequences of explosions that affected the roads leading to the Chapare region.

DEA and UMOPAR [Mobile Units for Rural Areas] agents have been blamed for these explosions. [passage omitted]

### Government Denies Guerrillas Active in Pando

*PY1606041189 Buenos Aires TELAM in Spanish 1631 GMT 15 Jun 89*

[Text] La Paz, 15 Jun (TELAM-DPA)—The Bolivian Government and the Armed Forces have denied that the Peruvian Shining Path terrorist organization is active in Pando Department, but they admitted that armed groups are protecting drug trafficking in the area.

The authorities have said that over the past few weeks the local news agency FIDES has been issuing unreliable reports on possible activities of the pro-Maoist Shining Path terrorist organization in Bolivian territory.

Information Minister Herman Antelo has said that irregular groups linked with drug trafficking have been spotted in the township of Blanca Flor, but that these groups have nothing to do with the Shining Path terrorist organization. He added that the antinarcotics forces are carrying out operations in the area.

General Edwin Peredo, commander in chief of the Armed Forces, said that drug traffickers have been active since January but that their activity has nothing to do with the guerrillas.

Foreign Minister Valentin Abecia said that the Bolivian Government has asked the Peruvian Government to provide information on the activities of the leftist guerrillas along the border with Bolivia.

Bolivia and Peru share a long border that includes the Altiplano zone, Lake Titicaca, valleys, and the Amazonian region where Blanca Flor, a township of Pando Department, is located.

**Sketches of Missionary Murderers Released**
*PY1706112389 La Paz La Red Panamericana in Spanish 0000 GMT 17 Jun 89*

[Text] The General Command of the Bolivian Police has released artist's sketches of the three killers of the Mormon missionaries.

Captain Fernando Pelaez, the public relations chief of the Bolivian Police, has said that efforts are being made to capture two men and a woman who, according to the investigations, were involved in the killing of the two U.S. citizens.

The General Command of the Bolivian Police has released the three sketches so that citizens may be able to supply information on the whereabouts of the killers. This information will be handled with the appropriate secrecy. It was also pointed out that the U.S. State Department has offered a $500,000 reward.

The sources said that one of the men did the shooting, while the woman and the other accomplice, pretending to be a pair of lovers, were in the area watching.

[Begin Pelaez recording] The first sketch belongs to the person who fired the shots with an automatic 9-mm weapon.

Two sketches of the same person have been made. In the first one, the person is depicted wearing a cap; in the second one, the person is depicted without a cap. This was done because at the time of the shooting he was wearing a cap.

The person is a male, about 24 years old, light complexion, between 1.71 to 1.72 meters tall, with straight black hair. He wore a beige cap, a black jacket, and black pants.

The second sketch is of the woman who accompanied that man. They stood in a doorway, acting as a couple of lovers. [sentence as heard]

The woman is about 23 to 27 years old, light complexion, about 1.65 meters tall, with a medium build and straight, long hair.

The third sketch is of a man who presumably acted as lookout. He stood at the intersection of (Jose Maria Decha) and Juan Granier Streets, to aid the escape of the other two.

He is about 25 to 27 years old, with a dark complexion, a medium build, wavy, black, slicked-back hair, thick eyebrows, broad forehead, and round eyes. He wore a black jacket and black pants. [end recording]

The information [words indistinct] for the police officers must be reported to the following telephone numbers: 37-7395, 37-5333, and 81-2885; to post office box 2450 in La Paz; or to the departmental, provincial, or border commands throughout Bolivia.

It was reported that the nationality of the killers remains unknown and that there are some detainees being investigated.

**Romero: Economy 'Healthy,' Reserves 'Sufficient'**
*PY1706214589 La Paz PRESENCIA in Spanish 13 Jun 89 p 1*

[Excerpt] The Victor Paz Estenssoro administration will hand its successor a healthy economy and sufficient reserves to enable it to implement its economic program without harming the people.

Planning and Coordination Minister Fernando Romero made these remarks yesterday, when he said that soon the country will have $130 million available, in addition to the current foreign monetary reserves.

He said President Paz wishes "to hand his successor not only the Presidency, but also a healthy economy with sufficient reserves so that the new administration can enjoy stability for a reasonable period of time and thus be able to adopt structural measures and implement important changes without creating difficulties for the people."

Romero also said that it would be a good idea to have the future administration's economic team start taking part in the negotiations with the IMF so that our "frankness and openness" in handling economic matters becomes evident. [passage omitted]

**Voluntary Eradication Short of April Goal**
*PY1706195689 La Paz PRESENCIA in Spanish 13 Jun 89 Section 2 p 1*

[Excerpt] Cochabamba, 12 Jun (PRESENCIA)—Less than 1,000 hectares of coca plantations have been voluntarily eradicated in Cochabamba Department. This is less than 20 percent of the 5,000 hectares called for in the plans and agreements of the Executive Branch and its operational organizations.

Guillermo Holters Nogales, executive director of the Cochabamba Alternative Development Program [Programa de Desarrollo Alternativo de Cochabamba] (PDAC), has told PRESENCIA that 1,300 hectares should have been eradicated before April, and 1,700 hectares before August. That would have been a total of 3,000 hectares, or 60 percent of the 5,000 hectares to be eradicated during his administration.

Holters Nogales said that most of the coca-producing regions in the Cochabamba Department are considered regions where excessive production is in the process of being replaced. For this reason, he said, the Overall Development and Replacement Program [Program Integral de Desarrollo y Sustitution] (PIDYS) is being implemented in the region.

Holters Nogales said that it is the authorities' duty to comply with the terms of the General Law on Coca and Controlled Substances. That is why "other measures will be adopted" in the coca plantations that are not voluntarily reduced.

He rejected the possibility of using herbicides, chemical agents, or defoliating substances to destroy these coca plantations because the government must not only preserve the ecology in the region, but also comply with the terms of the aforementioned law. [passage omitted]

### Annual Cocaine-Base Production Totals 72 Tons

*PY1706192089 Madrid EFE in Spanish 2318 GMT 16 Jun 89*

[Text] La Paz, 16 Jun (EFE)—Spokesmen of the organizations fighting drug trafficking today reported that Bolivia produces some 72 tons of cocaine base per year. This cocaine is then smuggled to Colombia, Brazil, and other Latin American countries, where it is crystalized.

The figure on cocaine production was obtained from the estimated coca leaf production in regions near the Bolivian border, where the chemical substances used for cocaine processing are often smuggled, the sources said.

Interior Minister Eduardo Perez Beltran did not inform the press about the figures on the estimated cocaine production because these figures would "show the national and international public that there is governmental negligence in dealing with the issue."

Perez Beltran reported that the seizure of chemical substances has prevented drug trafficking gangs from producing some 32 more tons of cocaine in the last 5 months.

"This shows the efforts made by the organizations that fight drug trafficking," the minister said.

In the last 3 months, the Bolivian Government destroyed 2,194 cocaine processing laboratories, seized 12,000 kilos of cocaine, and detained 1,102 people involved in drug trafficking, an official report states.

## * 1989-2000 Economic Development Strategy Defined

### * Foreign Investment Vital

*33480185a La Paz PRESENCIA in Spanish 16 May 89 p 4*

[Text] The present government has proposed a plan of action calling for adjustment measures, legislative reforms, and improvements in Bolivia's negotiating capacity, aimed at attracting $265 million per year in the form of direct foreign investment, to guarantee the country's economic and social development.

The plan is included in the so-called "1989-2000 Social and Economic Development Plan for Bolivia," which has been devised by the German Technical Cooperation Agency (GTZ), the UN Development Program (UNDP), the Economic Commission for Latin America (ECLA), the World Bank, and Bolivian consultants contracted by the Planning Ministry.

The government authorities explain that the size of the foreign debt proves the necessity for resorting extensively to external savings in the form of direct foreign investment to contribute fresh funds for raising investment rates.

In 12 years, from 1989 to 2000, the government deems it possible to attract a total of $3.8 billion, representing an annual average of $265 million.

Furthermore, it expects the flow to begin increasing during the 4-year interval from 1993 to 1996, with an average of $300 million.

Nevertheless, to make the foreign investment income sizable and steady, the authorities claim that certain measures must be adopted to ensure the continuity of the principal bases of the New Economic Policy [NPE], with legislative reforms, primarily in the area of mining, hydrocarbons, and electricity.

They claim that to be included in this plan of action is the establishment of a system providing information on Bolivia's potential natural resources and on the guarantees offered for investment.

Another aspect, described as crucial to the success of the plan of action, is the development of the country's capacity to negotiate with the multinational companies and the international capital market.

"The plan of action for direct foreign investment must place emphasis on the procurement of funds that will make it possible to raise investment rates."

In the authorities' opinion, the conversion of part of the foreign debt into investment securities that could be used in public and private enterprises, although it may defer payment of revenue abroad, will not increase the funds available for raising investments significantly or for a long time.

### * Monetary Policy Outlined

*33480185a Cochabamba LOS TIEMPOS*
*15 May 89 p A-5*

[Text] La Paz, 14 May—Permanent control of inflation is a solid foundation for the economic growth and long-term policies included in the Economic and Social Development Strategy devised by the government for the period 1989-2000.

This document contains a series of considerations regarding the economic area, stressing that the maintenance of price stability has maximum priority, contributing to the goals of improving Bolivia's international competitiveness, consistently maintaining equilibrium in the balance of payments, and making efficient use of investments.

According to technical-statistical studies, the investments should make it possible to achieve an average growth rate of 4.9 percent in the gross domestic product (GDP) between 1989 and the year 2000, with relatively few resources. A permanent low inflation rate is also essential for the steady, sound development of the financial system, considered crucial to the strategy. Consequently, the annual inflation rate anticipated to fulfill the goals in the national plan should not exceed 10 percent.

Special mention is made of the need for the consolidation of stabilization to depend on a genuine expansion in production that will increase the supply of goods and services, and for economic growth and inflation control to be mutually reinforced.

In the view taken by the strategy of development with stability, steady control of inflation has two mainstays: first, the removal of obstacles to expansion in the aggregate supply, particularly those distorting the proper allocation of funds; and, second, orderly growth in the components of the aggregate demand, without too much pressure on the available supply, but without restraints that would be costly in terms of production and employment, either.

#### Monetary-Fiscal Policy

The Economic and Social Development Strategy establishes the fact that monetary and fiscal policies are a key to management of the aggregate demand, and recommends the continuation and expansion of the stringent fiscal policy pursued since August 1985, with the following components: Strict control of current spending in the public sector;

Public investments that meet the criteria of social profitability and consistency with sectorial policies;

Heightening of the tax pressure, to move from 13.8 percent of the GDP in 1987 to 17.6 percent in the year 2000;

Realistic exchange rate and prices for goods and services of public enterprises, to maintain their profitability and to finance a considerable portion of their long-term investments;

Promulgation of the Law on Administration and Government Control, including, among others, measures to improve the preparation of budgets and to effectively monitor their execution;

Finally, establishment of the Integrated System of Financial Administration and Government Control (SAFCO), to improve the control of fiscal accounts in all their forms.

### * Private Mining Investment

*33480185a Cochabamba LOS TIEMPOS*
*in Spanish 16 May 89 p A-5*

[Text] La Paz, 15 May—Considering the fact that mining is still the country's leading economic activity, capable of continuing to generate large amounts of foreign currency income, starting this year it will be necessary to lay the final groundwork to reactivate that sector, by consolidating and reinforcing the state's entrepreneurial capacity in the national mining industry, and to generate a large flow of private investment directed toward that sector.

The document on the Development Strategy devised by the present government stresses that these are the major challenges that will confront the mining-metallurgical policy during the 12 years of the plan.

#### Investments

In fact, from a quantitative standpoint, to take advantage of the country's mineralogical potential on a level in keeping with the requirements for an annual national economic growth of 4.9 percent, it will be necessary to invest a sum of nearly $1.3 billion in the sector.

If both the fiscal restrictions and the public investment requirements of other economic sectors are taken into consideration, one can quickly realize that this sum far exceeds the state's investment capacity.

The Bolivian Mining Corporation may obtain financing for making investments of nearly $150 million; in other words, most of the investments required for making Bolivia a competitive mining country again will have to be private in nature.

If the Bolivian mining industry becomes attractive again to private investment, the sector could generate sizable funds. In fact, the projections in the Development Strategy show an export potential exceeding $770 million per year which could, under favorable price conditions, exceed $1.1 billion annually by the year 2000.

Moreover, it would be translated into several thousand additional jobs, a substantial contribution from the sector to fiscal revenue, and a major contribution to a rise in the Bolivian population's income level.

**Basic Features**

To surmount the mining industry crisis it has become necessary to implement a series of measures, prominent among which are the elimination of state interventionism and a reduction in the state's role as direct administrator of mining and metallurgical operations, as well as the creation of attractive terms for private investments in the sector.

Other measures would be restructuring, resizing, and rehabilitation of the state mining-metallurgical industry, with decisions aimed at the development of efficient, profitable, state enterprises, and reinforcement of the mining sector's institutions, gearing their functions to the sector's new policy.

## * Problems, Solutions Seen

*33480185a Cochabamba LOS TIEMPOS in Spanish 16 May 89 p A-8*

[Text] La Paz, 15 May—With the 1989-2000 Economic and Social Development Strategy made public, it appears that the first years of its execution will be the most difficult, as one can infer from the thus far modest results of the reactivation measures adopted in July 1987.

Consequently, over the short term the maintenance of price stabilization will impose very obvious restrictions on an increase in the aggregate demand and on the economic growth induced thereby, whether through public or private consumption. On the other hand, over the long term the steady implementation of the NPE [New Economic Policy] and of the Strategy should bring about growth through expansion of the supply, caused to a large extent by an increase in the import capacity and the gains in productivity resulting from an improved allocation of resources.

**Public Investment**

Furthermore, it is affirmed that public investment appears limited on an immediate basis, owing to the financial weakness of the public sector, which has not yet succeeded in establishing the necessary matching funds for making payments on the foreign loans contracted.

The fiscal difficulties, in turn, are explained by the frequent delays in payments made by Argentina for its natural gas purchases. Compounding the problem of establishing sufficient savings in the public sector are difficulties of an administrative type, which can also be explained largely by the state's own financial crisis.

As a result of all this background cited, one may conclude that private investment is far removed from attaining the anticipated impetus, owing to a combination of adverse factors. Among them we might mention the persistent depressed state of the demand for traditional exports, which also has repercussions on the domestic demand and on the public sector's low investment rates.

**Confidence Factors**

On the other hand, it is claimed that the economic agents are voicing doubts about the maintenance of the economic policy reforms and their long-term progress. Stabilization has been perceived as something tenuous, as shown, for example, by the high degree of dollarization in the economy. This perception, as well as the difficulties encountered in paying for the loans contracted, has reduced the credibility of the reactivation measures.

It is noted that the measures adopted to put the banking system on a sound footing, with D.S. [Supreme Decree] 21660 of 10 July 1987, and the procurement, in April 1988, of a loan from the World Bank to reinforce the financial system should help to bring about a reduction in interest rates and an improvement in the banks' liquidity status.

Consequently, it is asserted that D.S. 21660 is forcing the banking system to maintain provisions for uncollectible sums and a maximum debt ratio of 15 times its net worth. It is also paving the way for a solution to the problems caused to the banks by the 1982 de-dollarization measure, offering to convert their debts into investment securities.

Finally, it has been remarked that, with the normalization of relations with the official international credit institutions, as a result of the NPE's implementation, one can observe a heightening of the import capacity which, if managed properly, could contribute to a rapid reactivation in production and growth in investments.

## * PRC Technical Delegation To Do Mining Study

*33480185b Cochabamba LOS TIEMPOS in Spanish 10 May 89 p B-3*

[Text] La Paz, 9 May—Between June and July of this year a technical mission from the People's Republic of China [PRC] will be established in the country for the purpose of holding talks with national authorities and making studies aimed at the execution of prospecting and exploration work on mineral deposits in areas belonging to the Bolivian Mining Corporation [COMIBOL].

According to information provided by COMIBOL officials, the Chinese mission will arrive in the country as a result of agreements concluded on a preliminary basis between the Ministry of Mining and Metallurgy and that country's diplomatic representatives, in which the possibility of promoting the formation of joint associations to give an incentive for the sector's reactivation was cited.

At those preliminary meetings the PRC's ambassador to Bolivia, Chen Dang Sheng, told the minister of mining and metallurgy, Jaime Villalobos, that his country was interested in providing assistance for national mining development and announced that members of specialized companies would soon be arriving to participate in the execution of several projects for the sector's expansion devised by COMIBOL.

To implement the aforementioned intentions, it has been planned to form a Joint Bolivian-Chinese Commission, making it possible to sign cooperation agreements which might begin its activities on the occasion of the forthcoming visit by the technical mission. The latter will make studies of the potential shown by the national mining industry for its prompt recovery, taking into account the prospects for a rise in prices noted on the international markets.

## Brazil

### Finance Minister on BTN, Effect on Prices

*PY1706040589 Brasilia Domestic Service in Portuguese 2000 GMT 16 Jun 89*

[Text] The monthly inflation rate of about 20 percent will not cause disarray in the economy. This guarantee was given by Finance Minister Mailson da Nobrega in an exclusive interview with reporter Cristina Indio do Brasil. Mailson da Nobrega also gave assurances that the new leading economic reference index—the daily readjusted National Treasury Bond [BTN]—will not cause daily price reajustments.

[Begin recording] [Indio do Brasil] Finance Minister Mailson da Nobrega believes that if the government had not created the fiscal BTN, the Brazilian economy would have risked coming to use the dollar as a hard currency, thus paving the way for hyperinflation. Although he believes that the people will use the fiscal BTN as a reference index for reajusting prices, Mailson da Nobrega does not expect that the use of the new leading economic reference index will provoke daily price increases.

[Mailson da Nobrega] It is difficult to imagine that farm products on sale in street markets can be set in BTN. For instance, how can a vendor who buys tomatoes at the CEASA [State Supplies Center, Inc] and then takes them to the street market to sell convert their price in BTN into new cruzados? Of course, as it happened when we had the OTN [National Treasury Obligation], some prices will be set by the BTN, but this practice will not be widespread in the economy. We cannot say that the use of the BTN will be a sign that prices will vary daily. However, transactions in the financial market will vary daily. The BTN will only be an index to readjust the fiscal credits of the National Treasury.

[Indio do Brasil] The fiscal BTN was created to have a readjustment of 22.3 percent in June. Do you believe that this has provoked this week's price increases?

[Mailson da Nobrega] It is obvious that the government was surprised by this inflationary acceleration, but we are convinced that this is no more than a process of accomodation. This reflects the deregulation of prices in the second phase of the Summer Plan, when many prices were liberalized. This accomodation leads us to expect that there will be no further acceleration of prices and that inflation will stabilize at a montly rate of 20 percent. The Brazilian economy has shown that it can coexist with monthly inflation rates of 20 percent without going into disarray. [end recording]

Minister Mailson da Nobrega traveled today to Caracas, where, beginning tomorrow, he will participate in the Group of Eight meeting of finance ministers of Latin American countries. They will again discuss the strategy for reducing their foreign debt.

### Efforts To Avert Hyperinflation Explained

*PY1806032889 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Jun 89 p 3*

[From "Notes and Information Page": "Betting Against Hyperinflation"]

[Excerpt] Although it avoided the use of the word "shock"—which invariably has worrisome connotations—the government has just given the country a shaking, a very important one, by the way. The new measure is not intended to halt inflation, but to allow the country to coexist with it. It is especially intended to stave off hyperinflation and prevent it from destroying the economy and raising serious obstacles to the democratic process. It would be premature now to discuss the effectiveness of the measure. It should be recognized, however, that the measure was necessary, because the current government—only a few months before the presidential elections—is no longer in a position to propose a more constructive and comprehensive economic policy.

We do not believe that the adoption of a leading reference index for the economy—the BTN [National Treasury Bond]—was decided just 2 days ago in the face of prospects of at least a 22.3-percent inflation rate in June (1,020 percent in annual terms). When the process of price thawing began, the government knew—especially after Congress defined the new salary policy—that it should include into its calculations a high and rising inflation factor. The government could have thought of a new heterodox shock, meaning a new freeze, but the

finance minister—who should at this time be sorry for having participated in the drafting of the Summer Plan—is convinced that a new shock would only have the short-term effect of pouring a little more fuel onto the inflationary fire. Strangely, the government opted for a solution which in many ways resembles a proposal that gave rise to the Summer Plan: the proposal to peg the economy to the National Treasury Order—the OTN. We are referring to the Larida plan (named after economists Andre Resende Lara and Persio Arida). This plan introduced the idea of inertial inflation [resulting from inflationary expectations and maintained by monetary correction mechanisms], which led to the belief that, with all prices indexed, the dire consequences of inflation would be neutralized. At that time the Larida plan was too bold, and so a modified version of it, the Cruzado Plan, was drafted and implemented in February 1986.

Now the monetary authorities face other problems. Therefore, the recently instituted fiscal BTN, which serves as basis for daily indexation, has important differences from the Larida plan. Its objective is not to eliminate inertial inflation (a theory on which the current finance minister is not convinced), but to coexist with high inflation. The idea is to keep the economic agents from seeking protection in the acquisition of foreign currency, a scarcity of which brings about an artificial rise in its price.

Financial assets can now be readjusted daily and all taxes, with the exception of the personal income tax, will be indexed to the fiscal BTN. Investments in the financial market will be taxed on their real returns, making corrections on the enterprises' balance books by the same index. Prices not regulated by the Interministerial Price Commission, as well as the cost of services, can now be established in the new currency—the fiscal BTN. There is, however, a great difference from the Larida plan: Salaries will not be corrected by the fiscal BTN, but, under the bill approved by Congress, they will be subject to a readjustment system that will act as an indexation reducer.

That difference is substantial, because salaries and prices will increasingly become out of step, and that fact raises the possibility of reactions by the labor sector. Without specifically saying so, the government considered that the misalignment of salaries and prices was necessary to ward off hyperinflation. Undoubtedly, this is a bold bet. [passage omitted]

## Candidate Rejects Debt Payment Moratorium

*PY1606212889 Madrid EFE in Spanish 0254 GMT 15 Jun 89*

[Text] Rio de Janeiro, 15 Jun (EFE)—Presidential candidate Fernando Collor de Mello of the National Renewal Party (PRN), the overwhelming leader in all presidential electoral polls, has rejected a moratorium on foreign debt payments.

In remarks to foreign reporters, Collor de Mello has stated that his government will maintain a healthy coexistence with foreign capital.

Collor de Mello, who will be a candidate in the 15 November elections, stated that he is aware that the debt—"not only that of Brazil but of all Third World countries—is unpayable." He explained, however, that he does not intend to decree a moratorium, but that he is going to negotiate in accordance with the current laws. "We will be tough negotiators, however, in order to obtain all possible advantages."

One of Collor de Mello's proposals on the foreign debt is to withdraw the federal government's guarantees from the debt contracts, so that the debt can be negotiated directly between debtors in Brazil and the creditors abroad.

He explained that this system will serve "as a sign to promote broad negotiations that will not affect the country's development." He added that right now there are good conditions for negotiations "without forcing Brazil to sacrifice its development."

The PRN candidate stated that he will open the doors for foreign capital, which will foster national industry. He said he will transfer into private hands those large enterprises "that shelter an excessive number of employees and where corruption is common."

Regarding the current restriction imposed by Brazil on the computer science market, he said that it would be allowed only if there were a date to begin and to end this restriction, and only if this sector promises to invest large sums of money in research during this period, to keep from falling behind.

He added that in the "pure capitalism" he intends to establish within the next few years, these practices must cease in order to allow competition in all sectors, to prevent monopolies, and to reduce the prices of consumer goods.

The former Alagoas governor has promised to protect the enviroment and the Brazilian Amazon. He explained, however, that "we cannot be accused of causing the economic [as received] imbalances in the world" because the destruction and preservation of natural resources is the responsibility of all countries.

For the preservation of the environment, Collor de Mello proposed an "environment tax," according to which the countries that pollute the atmosphere the most must pay a tax proportional to the destruction. These resources will then be used for preserving the environment.

Collor de Mello will leave on 17 June for Europe, where he will meet with Portuguese President Mario Soares and Prime Minister Anibal Cavaco Silva.

He will then go to France, where he will hold talks with French President Francois Mitterrand.

Although his trip to Spain has not yet been confirmed, he intends to meet with the Spanish authorities to learn more details on the Moncloa Pact, "which has allowed the Spaniards to move from a dictatorship to a democracy, and then, to become a country with one of the greatest economic potentials of this time."

## TSE Releases Presidential Election Schedule

*PY1706154289 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Jun 89*

[By Antonio Carlos Silva]

[Text] According to the timetable released by the TSE [Supreme Electoral Court], the most important dates regarding the elections are: 15 July, which will be the last day for selecting candidates and forming coalitions established in conventions; and 6 August, the deadline for voter registration. Minors over 16 years of age can register to vote.

Candidates must register at the TSE by 17 August. The free electoral campaign will begin on 15 September. Candidates cannot be detained or arrested beginning on 31 October. Candidates can only be arrested if caught red-handed while committing a crime.

Between 10 November, 48 hours before the elections, no voter will be detained or arrested. The free electoral campaign will end on 12 November. The campaign by candidates in rallies will end 2 days before the elections. The electoral timetable also forbids polls to be taken 1 day before the elections on 15 November.

The timetable also establishes that on the day of the elections, voting will begin at 0800 [local time] and will end at 1700. The vote count will begin immediately afterwards, at 1800. Special places will be established for the vote count.

The results of the first round of voting will be released within a period of 12 days, by 27 November. From 28 November to 14 December, there will be a new period of free electoral campaigns. The second round of voting will begin at 0800 on the morning of 17 December, and will end at 1700. The vote count will begin immediately and will end on 21 December.

## * Collor Lead in Presidential Polls Viewed

*33420062 Sao Paulo VEJA in Portuguese 17 May 89 pp 34-39*

[Text] Presidential candidate Fernando Collor de Mello has become a star of the first magnitude in the race to succeed President Jose Sarney. The state of Alagoas, whose governorship he was expected to resign last weekend in order to dedicate himself full-time to the campaign, is the second poorest state in Brazil—and counts among its residents 1.2 million voters, equivalent to at least 2 percent of all the Brazilians who will go to the polls on 15 November. His party, known as the National Reconstruction Party (PRN), was founded less than 2 months ago, right after Carnival, has no campaign headquarters in the major state capitals, and has only a meager delegation—five congressmen—in the National Congress. That's 46 times smaller than the delegation of Congressman Ulysses Guimaraes' PMDB (Brazilian Democratic Movement Party), and the PRN's votes are worth only one-third of those of Lula's PT (Workers Party) delegation. At 39, Collor de Mello was once the "bionic" [appointed by the military regime] PDS (Social Democratic Party) mayor of Maceio, and in 1985 he voted for Congressman Paulo Maluf at the Electoral College session that gave the victory to Tancredo Neves. Now, 6 months from the elections, Collor is in first place according to the polls; he captured 32 percent of the voter intentions expressed in the latest Ibope survey.

"My candidacy strikes fear into the hearts of both the Right, which will only agree to carefully monitored alliances, and the Left, which only gives speeches," the candidate says. "I have practical experience." There was a time when the popularity of Collor de Mello, who became known to the majority of Brazilian citizens because of his war against the "rajahs" of government service, suggested that he would be able to make only shorter flights into prominence. Early in 1988, when he was battling behind the scenes to get his candidacy off the ground in the PMDB, Ulysses Guimaraes even invited him to accept the high post of candidate for the vice presidency. In March 1989, when Collor de Mello landed in Sao Paulo for a talk at the Sao Paulo State Federation of Industry (FIESP)—more than 10 businessmen had been invited to the meeting, but only 3 thought it worthwhile to make space on their calendars to hear what he had to say. Now, in the current phase of the campaign and given the political mood of the times, when analyzing the performance of candidates who seek to constitute the future administration is a more pleasant exercise than checking on the statistics of the present administration, Collor de Mello's numerology has become the favorite topic of conversation in Brasilia. The race for Planalto Palace is still in the early stages, but this is the first time that the polls have provoked the festive launching of skyrockets on the Right, and soured the tone of conversations among the parties on the Left.

### Champions in the Surveys

"Collor is a product of the dictatorship," says former Governor Leonel Brizola. "He is a conservative politician, with commitments to the oligarchies," says Lula. Brazil's electoral cemetery is full of pre-election poll champions who were unable to repeat the performance in the only survey that really counts—the one at the ballot boxes. This has not, however, prevented an enthusiastic chorus from forming around Collor de Mello and taking as its theme that star-crossed cry, "He's already won." It is a fact that few politicians like Collor de Mello

for what he is or says. But it is also a fact that, nowadays, many politicians are beginning to like the candidate for what he has—the Ibope numbers. Then there are the politicians who like Collor de Mello for both things. "Seven out of every 10 voters I talk with tell me they're going to vote for Collor," says Congressman Ervin Bonkoski, of the PTB (Brazilian Labor Party) in Parana. "I think he can win right away, in the first round," says Congressman Ricardo Fiuza, a PFL (Liberal Front Party) bigwig in Pernambuco. Under the rules of the presidential succession, to win the election in the first round a candidate has to receive more than 50 percent of the votes cast on 15 November. That's the only way to escape the second round, when the two candidates who received the most votes in the first stage will run alone against each other.

"I think that Collor is more than a flash in the pan," says Congressman Antonio Delfim Netto (PDS-Sao Paulo). "Besides, when wildfire gets to the top of the hill, everything works in its favor and even a defect becomes a virtue," he added. The only problem with Collor de Mello's campaign is a very simple one. Things would be great if the elections were held today. Since the electoral calendar calls for the vote to be held 6 months from now, however, it is very hard to predict what might happen between now and then—especially because no one even knows what the effects will be, both good and bad, of the political bloodletting that is being staged during the free access hours on television. A little sample of what is coming down the pike can be read in last week's papers. The PDT (Democratic Workers Party) backers took out a big ad in the major newspapers, signed by a group of 50 organizations from Maceio that had worked up a package of complaints against Collor de Mello. All you have to know to decipher the content of that document is its title, "A mule that's no use has to be sold far from home." The language in the ad is tough, but that's the way the campaign is going. Last week, Collor de Mello himself indulged in profanity, during a press conference, to refer to Leonel Brizola—and called General Ivan de Souza Mendes, head of the National Service for Intelligence (SNI) "a tinhorn general in a bankrupt service."

"If an impartial survey were taken in Alagoas and Collor de Mello were to get more than 10 percent of the voter preferences, I'll resign my seat," said Congressman Jose Costa (PMDB-Alagoas), in one of these manifestations of willingness to sacrifice themselves that Brazilian politicians like to indulge in from time to time. "He's not a candidate, he's a video clip," says Congressman Jose Thomaz Nono, (PFL-Alagoas). "It's the biggest political fraud the country has ever seen," he added. At this point in the campaign, when you hear edifying statements and slogans but pick up here and there signs of the purest vulgarity, figuring out how tall Collor de Mello will stand on 15 November is one of those exercises in speculation that enriches the libraries of political futurology. It's already possible, however, to get a good idea of the fire that his candidacy is capable of starting. His Ibope rating with the electorate has risen sixfold since February—a record.

**It's a Disease**

Now, with his aquiline nose and full head of hair in which you can see traces of gray that are invisible in photographs and TV appearances, Collor plans to transform his electoral statistics into a time bomb capable of exploding the two big election machines in Brazil—the PMDB, in which a good portion of the rank and file have been anesthetized by the Ulysses Guimaraes-Waldir Pires slate, and the PFL, where the pratfalls of Aureliano Chaves and Senator Marco Maciel threaten to turn the slate's daily routine into an entertaining electoral sequel to the comedy acts on "O Gordo e O Magro" [The Fat Man and the Thin Man]. In the PDS, the PL (Liberal Party), and even in Mario Covas' PSDB (Brazilian Social Democracy Party), you can also find politicians who, under their everyday coats and ties, wear that tee shirt marketed by the merchants in Maceio. It says, simply and directly, "Collor. A President has to be macho." In various parts of the political world of Brazil, the verb of the hour is "to color," but with two "l's" of course.

"Let's 'collor' Brazil," Congressman Jose Carlos Martinez of the PMDB urged, in a commercial that was run on TV Parana, which he owns. "My candidate is Lula, but all the mayors in my region prefer Collor," says Congressman Maurilio Ferreira Lima (PMDB-Pernambuco), who abandoned Ulysses Guimaraes in favor of the PT. "I'm going to check with the people at the grass roots, so I don't make a mistake," said Senator Gerson Camata, enigmatically. He is one of the PMDB bigwigs in Espirito Santo who, even before finishing his consultations, has already decided to abandon both Guimaraes' party and his campaign. There are members of the PMDB who have hitched their wagons to Collor de Mello's star in a sort of reconciliation with the past—their own and the candidate's. These include Jose Carlos Martinez, who also voted for Paulo Maluf in the 1985 Electoral College. Some of those who joined up were motivated by the genuine panic that sets in among so many politicians every time they look at the results of the Ibope preference polls. The reality, however, is that the PMDB has become a regular incubator for insubordination ever since Ulysses Guimaraes made off with the candidate's scepter—leaving his moderate faction an orphan of the candidate they would have preferred—Sao Paulo Governor Orestes Quercia.

"This Collor thing is a disease," says Congressman Borges da Silveira, of Parana, a former minister of health who has just dissociated himself from the PMDB and now prefers to follow the movements of the major currents in the presidential race from a bird's-eye view from the bridge above the stream, along with the other politicians who are without parties. "The grass roots supporters of the PMDB and the PFL are horrified by their candidates and, little by little, are deciding to support Collor. I have 30 mayors and 100 city councilmen, and all of them think that I should go over to Collor," he adds.

Last week, Collor de Mello received fairly reliable indications that his harvest of supporters from within the PMDB could reach gigantic proportions. "You are the absolute favorite candidate in my state," Governor Tarcisio Burity of Paraiba told him. The exchange with another governor, Geraldo de Melo of Rio Grande do Norte, was more direct. "My candidacy is gaining ground all over the country, and we need your support in your state," Collor de Mello told him on Tuesday, when the two were having breakfast at 0600—the only hour that was open on the candidate's agenda. "I'll go along," answered Geraldo de Melo. "But I have to make some arrangements first," he added, a reasoning similar to what he gave early this year when he went to Sao Paulo to curry favor with Senator Mario Covas of the PSDB. In another state—Para—Collor is courting Governor Helio Gueiros. Gueiros has made pleasant references to the candidate in the newspapers. Collor has replied in kind, in conversations with friends, praising the governor's actions. "He has always taken positions in opposition to the Sarney administration," he said. When he went looking for "vitamins" in Minas Gerais, which has the largest electoral college in the country, Collor de Mello captured Congressman Helio Costa, former star of TV Globo's weekly magazine show "Fantastico," succeeded in getting Congresswoman Marcia Kubitschek, daughter of former president J.K. to enter the PRN, and also promised Senator Itamar Franco the vice presidential candidate spot on the slate. Last week in Brasilia, the two had a conversation in which the matter was decided.

**Cordiality**

"Collor, Itamar is the ideal candidate for vice president," said Helio Costa, who was serving as a sort of master of ceremonies of the meeting. "When people start throwing stones onto your roof, Itamar will be your shield. From a moral standpoint, no one is more unimpeachable," added the congressman, referring to the battery of accusations which Collor's opponents are readying to launch in the course of the campaign. (See box on page 36). Obviously this was a spurious argument, since all three politicians present realize that the voters will choose the president of Brazil, not the vice president. In a theatrical gesture, which must have been accompanied by the standard pounding on the table that candidates' advisors usually attribute to their bosses on such occasions, Collor looked directly at the senator and said: "Itamar, you're the vice president." At week's end, the PRN candidate saw a friendly little light kindled in that spot in Brasilia that has appropriations, cash, and a political machine with which to bury in the campaign the segment of the PMDB that is still part of the administration.

"In Goias I got the news that his support is growing," said Minister of Agriculture Iris Rezende. It looks like the news is to be taken seriously. When he was campaigning for the right to face off against Ulysses at the PMDB convention, Iris Rezende took over three floors of the OK building in the commercial sector of Brasilia to house his delegate-hunting committee. After the minister's defeat, businessman Luis Estevao de Oliveira, owner of the building, decided to back Collor de Mello—and lent him, free of charge, the same facilities he had made available to Iris Rezende. Last week, when he went to set up his campaign committee in the federal capital, Collor discovered that he wouldn't have much trouble moving in—as a friendly gesture, the minister had ordered that the furniture, typewriters, and room dividers installed by his team would stay in the office space at no cost to Collor. "It's just normal courtesy between politicians," explains an advisor to the minister, referring to the cordial climate that reigns behind the scenes in politics—and becomes much more cordial in areas frequented by personalities whose popularity is on the rise. Rezende has neither "collored" nor enlisted in Ulysses' campaign, and may yet enter the PMDB fray—it all depends on how he is treated by the party's candidates for president and vice president. Last week, however, after turning over typewriters and furniture to Collor de Mello, Rezende also lost a trusted aide—former congressman Lazaro Barboza, secretary general of the Ministry of Agriculture, will resign from his post in the coming days to join the PRN candidate's campaign. In another area of the administration—the PFL section—Collor is gaining strength at the lower levels, but not with the party leaders.

"Congressman, you are my commander and I will follow your instructions," said Paulo Braga, mayor of Barreiras—a city 883 km from Salvador—to Congressman Luis Eduardo Magalhaes of the Bahia PFL, son of communications minister Antonio Carlos Magalhaes. "If you tell me to vote for Aureliano, I'll obey and I'll get 5 percent of the votes. But, if it's for Collor, we'll get more than 90 percent, continued the mayor. "I'm loyal to the president, and although I believe Collor is a good candidate, we will go with some other candidate," Magalhaes answered.

**Marionettes**

Even if the fireworks from the polls that were launched at the start of the campaign turn into a hail of stones in the home stretch, it is undeniable that Collor de Mello's candidacy has already served at least one important purpose. It has exposed the arrogance of a certain segment of Brazilian politicians who like to appear to be the owners of elected personalities such as mayors and city councilmen, a sort of addictive behavior that is equivalent to treating the 80 million Brazilians who will go to the polls on 15 November like a bunch of marionettes. The hasty flight of distinguished party bigwigs in the direction of the Ibobe scores of Collor, a politician whom many of them dislike, is the most obvious symptom of the state of abandonment in which the electorate finds itself—where no one is anyone's master.

"The rise of Collor de Mello repeats a cycle of insurgence against the political class and the party organizations," says political scientist Bolivar Lamounier, of the Sao

Paulo Institute for Economic, Social, and Political Studies (IDESP). One could make exactly the same observation with respect to Collor de Mello—the brightest star in the polls right now—as about the other candidates—so far, the voter has not been told what he plans to do with Brazil in the event he gets to occupy President Sarney's chair. The only measure he has announced, to date, is the desire to close down the SNI. With regard to his administration's team, he explains that he plans to form a rather colorful (now without two "l's") cabinet in which such diverse personalities as Dorothea Werneck, labor minister under Sarney, and Congressman Jose Serra of the PSDB, as well as Prof Mario Henrique Simonsen, might take part. As for the economic crisis, his plan is to make the country live with a monthly inflation rate of 3 percent.

But although it is rather difficult to know at this point what Collor de Mello will do if he gets to Planalto Palace, it is much easier to figure out why he got this far. He has succeeded in embodying, in a way none of his opponents has done so far in the campaign, that image of the candidate who is against everything that most irritates the voter. He inaugurated his administration [as governor of Alagoas] as the great enemy of the rajahs, who take home millionaire's paychecks snatched from the pockets of the taxpayers. Immediately afterward, he turned his guns against the fat in the civil service. Whether intuitively or for some other reason, he distanced himself from the Sarney administration like someone who stays away from a contagious disease. That decision led to tough reprisals, such as the federal intervention in the State Bank of Alagoas, Produban, which was closed last November because of a $100 million shortage, the result of debts contracted by owners of sugar mills in Alagoas. Today, however, that decision is paying enormous dividends. Collor projects the image of the politician who doesn't like politicians as a class—at a time when the popularity of the National Congress is at just as low an ebb as that of Planalto Palace. It is said that Collor has an obvious predecessor—former President Janio Quadros. "He's the Janio of the current generation," says Minister of Social Security Jader Barbalho. "He's ready for either a coup or resignation."

"Collor has to be taken seriously," says Senator Jarbas Passarinho (PDS- Para). "Certainly he's an electoral phenomenon." Nowadays, it is easier to go out into the streets and find voters who display the candidate's stickers on their car windows than to find politicians who have been saying nice things about Collor de Mello for more than 30 days. "I would really love to see him do all that he says he will," said Congressman Teotonio Vilela Filho of the PSDB in Alagoas. "The problem is that Collor is nothing more than a farce," adds the congressman, a former ally of the PRN. "He is an artificial creation who does not say what he intends to do, only what he reads in the polls," says another opponent, Jose Costa of the PMDB.

The list of Collor's opponents is as long as the list of criticisms that can be made of him. One could say, for example, that his moralistic stance is hollow—today the accounting department of his state is being audited by INAMPS (National Institute for Social Security Medical Assistance), where it was discovered that the governor had purchased 97 vehicles without inviting public bidding. Moreover, the auditors haven't yet been able to lay eyes on any of the ambulances or automobiles that was purchased. One could also classify his criticism of politicians as an exercise in demagoguery—several mayors in Alagoas accuse him of manipulating the distribution of shared revenues in exchange for support of his political designs. His accession to the good fight against the rajahs can also be described as too late and poorly thought out—in 1982, when he left the post of mayor of Maceio. Collor appointed 6,000 public servants with a single stroke of the pen, without open competition. And, once governor, he signed a decree that swelled the earnings of both those in turbans and those who wear shirt collars by 40 percent. With his youthful air and stern gestures, he likes to appear to be a politician who has no past. The fact is, however, that he is descended on his mother's side from Lindolfo Collor, labor minister under Getulio Vargas during the early 1930's, who was his grandfather, while his father, Senator Arnon de Mello, was one of the stars of the UDN (National Democratic Union) in the Northeast. Collor himself took his first steps in politics as a "bionic" mayor.

Well, you can stretch out this report as long as you wish, but the fact is that the Collor phenomenon today has assumed the features of the teflon candidate—the enemies can call him every name in the book, but nothing bad sticks to him. "People won't refrain from voting for him just because he supported Maluf," says Congressman Flavio Rocha (PL-Rio Grande do Norte) who, last week, was planning for the transplant of 50 mayors and 500 city councilmen into the Collor ranks; he is so convinced of the chances of the PRN candidate that he tried unsuccessfully Tuesday night to convince Congressman Guilherme Afif Domingos, potential PL candidate for president, to drop out of the race to avoid being trampled underfoot.

**A Carnival Costume Contest**

Now in his second marriage—to business administration student Rosane Malta Collor de Mello, 23—the candidate had a rich boy's childhood, ranked second in all Brazil in karate and, at least in Alagoas, never had any problems that made news. His family owns a television station—TV Gazeta—which carries the Globo network programs. They also own 13 radio stations and the newspaper with the largest circulation there—GAZETA DE ALAGOAS. Of an intense temperament, Fernando Collor de Mello will, in the coming days, face an array of traps set for him by his opponents. One of them is the allegation that he has used drugs, including cocaine. "I never have," he says emphatically.

With the campaign in the early stages, it is true that Collor has still a lot of electorate ahead of him—especially because, starting now, he's going to start being

hit hard by a candidate who is very much like he his, only more experience. Former President Janio Quadros has now returned to Brazil after 5 months' absence and joined the PSD (Social Democratic Party), headed by former Minister Cesar Cals. No one knows yet how far Collor will be able to advance. We do, however, know what are the two greatest effects of his fast start. One of them, geographical, was to dispel the legend that the favorite candidates have to be from Sao Paulo. As we see now, the leader in the polls is from Alagoas. The other effect concerns the election campaign itself—and, from that point of view, the candidacy of Collor de Mello has also distributed benefits to his adversaries. Before he took off in the polls, the race to succeed Jose Sarney seemed like a Carnival costume contest between two candidates from the left—Lula and Brizola. Now the situation has changed. Gradually, that segment of the Brazilian elite that regularly announces the collapse of society's institutions every time it discovers that its ballot boxes are announcing a collapse of votes, is finding that it now has a candidate. That's why the Fernando Collor de Mello skyrocket, stubborn and pugnacious, is a factor that stabilizes the succession process.

**[Boxed material p 36] The Weight of the Accusations**

Last week, Gilvandor Filho, head of VEJA's Recife bureau, located a treasure trove of accusations against the Fernando Collor administration. The results follow:

- The Rajahs: The 306 examples of this phenomenon in Alagoas now earn—thanks to a restriction contained in the new Constitution, the same as a secretary of state—1,300 new cruzados per month. Last year, however, one of Collor's decrees raised from 25 percent to 70 percent the representation allowance that is built into the salaries of those high-level public servants, thus increasing their paychecks by 40 percent.
- Irregular Purchases of Vehicles: Last year, Collor used money from the social security system to buy 97 vehicles without asking for bids and without justification—according to Inamps, which also maintains that the vehicles were never received.
- Agreement With Sugar Mill Owners: Forced by the judiciary to refund a tax that had been improperly assessed against the sugar cane owned by the mills, Collor reached an agreement with 16 of these businessmen under which he would pay off the debt in 120 monthly installments totalling, with indexation to reflect currency devaluation, an estimated $65 million. The Public Finance Court of Alagoas is examining this agreement, and the opposition believes that a little over $30 million would be enough to liquidate the debt.
- Secret Appropriations: Last year, according to the Public Finance Court, the governor spent no less than 320,000 new cruzados under the heading of "secret appropriations," a category which, although legal, does not require him to render any accounting as to its use. The mayor of Maceio, Guilherme Palmeira, accuses Collor of having diverted that money into his campaign fund.
- Illegal Hiring: As mayor of Maceio in 1982, Collor appointed 6,000 public servants without holding any competition. He admits that he hired 16, and alleges that papers listing other names were attached to the appointment measure. Must have been a lot of paper.

**[Boxed material p 37] I'll Close Down the SNI**

Last Wednesday, Collor talked for 4 hours with Eduardo Oinegue, chief of VEJA's Brasilia bureau, and explained what he plans to do if he gains Planalto Palace. Here are some of his ideas:

- SNI: I'll abolish this agency the very first day. I need reliable information, not conversations among cronies, which are SNI's specialty.
- The Cabinet: Dorothea Werneck could be on my list of potential ministers. Mario Henrique Simonsen and Jose Serra could be, too. I rule out Delfim and Mailson.
- Perks: In my administration, ministers will pay for their own houses with the salaries they earn. And they'll be driving their own cars, too.
- System of Government: I'll work with the members of the legislature to introduce the parliamentary system of government in the 1993 plebescite.
- Market Reserve: This is a privilege that is incompatible with capitalism. I'm in favor of competition.
- Multinationals: I look with favor on the entry of Japanese companies into Brazil. I can open up the automobile market to them.
- Strikes: I'm going to suggest a 6-month truce, because I know that within a year and a half I'll have inflation down to 3 percent a month.
- Agrarian Reform: I don't yet know how to make it work.
- The Military: They'll get improvements in their pay. Generals don't earn much.
- Paying Suppliers: Anyone who has accounts receivable with the government is going to receive his money at a discount of 15 percent, which is the commission he charged the government. Those who complain will get audited.

**[Boxed material pp 38, 39]**

- Jose Clovis Lodetti, 45, owner of a business in Sao Paulo, has voted in the past for Janio, Quercia, and Erundina. Now, he's getting ready to help in Collor's campaign, along with his wife and daughter. "He's my only hope," he says.
- Taxi driver Cristovam Jose da Silva, 43, has a stand in front of the Ministry of Finance in Brasilia. He solicits votes for Collor from all his passengers. "All he has to do is get rid of the rajahs, and there will be more money left over for the common people," he believes.
- Sao Paulo merchant Jose Carlos Pasotto, 37, doesn't like politics and voided his ballot in the last election.

Now, he supports Collor. The old politicians leave me cold. I believe that Collor will do something different," he explains.

- Collor handed over to Zelia Cardoso de Mello the task of preparing his platform in the economic area, which is supposed to be ready within 15 days. A member of the PMDB and professor of economics at the University of Sao Paulo, Zelia was part of the Cruzado Plan team. She plans to reduce the number of ministries.
- One of the brains behind Collor's political marketing plan is publicist Almir Rodrigues Sales, 49, who creates the television programs for the PRN candidate. Owner of the Setembro agency in Belo Horizonte, Sales once worked for Tancredo Neves, Helio Garcia, and Newton Cardoso—which means he has never lost an election.
- Former Communist Party of Brazil militant Alvaro Lins Cavalcanti Filho owns a computer service company that supplies Collor with information on his rivals in the election campaign and texts of their statements. From 1969 to 1980, Lins lived underground in Brazil, using an alias and all that sort of thing.

## Congressmen Visit Air Force Rocket Launch Site

*PY1706020989 Brasilia Domestic Service in Portuguese 2200 GMT 16 Jun 89*

[Text] Congressmen are visiting a rocket launching site that the Air Force is building in Alcantara, Maranhao State.

The congressmen, accompanied by [Air Force] Lieutenant Brigadier (Lelio Vianna Lobo), director general of the research and development department of the Aeronautics Technical Institute (ITA), arrived in Sao Luiz last night. They went to Alcantara this morning to visit the space base.

After touring the facilities of the (Itapirai) [words indistinct] technical center, the congressmen were briefed on the project at the base auditorium. While 35 congressmen were expected in Sao Luiz, only 17 came. They represent the defense, science and technology, transportation, and budget committees.

The base is located 20 km from the historic center of Alcantara and will occupy 620 square kilometers. The project has a budget of $215 million. A total of $60 million has already been spent.

Today the Alcantara base is in the stage of completion of the [word indistinct] works and the installation of the rocket tracking equipment.

Of the $60 million expected for this year, barely $15 million has been released due to budget cuts.

## Avibras Head Discusses PRC Joint Venture

*PY1906004389 Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Jun 89 p A-10*

[By special envoy to Paris Roberto Lopes]

[Text] Brazilian businessman Joao Verdi Leite, owner of Avibras [Brazilian Air Space Industry], Brazil's largest weapons exporter, said in Paris yesterday that the political crisis in the PRC "will not affect at all" the joint venture his company has just signed with the Chinese Ministry of Aeronautics and Astronautics Industry. The joint venture will sell space programs and launchings to Third World countries. Verdi made these statements during a news conference at the 38th International Aviation Fair in Le Bougert (north of Paris).

The recently created joint venture is called Inscom (International Satellite Communication) [previous three words in English], of which Verdi is president. An hour after the news conference, during an exclusive interview with the Rede Globo Television company (which was making a program on the Bourget Fair for its program "Fantastico"), Verdi said he thinks that the PRC is heading toward a political "opening." He described the current Chinese difficulties as "a domestic problem."

Inscom is the result of 3 years of negotiations between Verdi and the Chinese Government. Fernando Mendonca, an Inscom executive, thinks that the new company will sign contracts to launch at least 10 percent of all the space launchings that will be made in the world before the end of the century, which would be about 15 launchings a year. Inscom will have its legal headquarters in Vaduz, capital of Liechtenstein, and its offices in Beijing and Sao Jose dos Campos (Sao Paulo).

Marcio Barbosa, general director of the National Institute of Space Research (INPE), was present during the TV Globo interview with Verdi. The Chinese partner of Inscom is the Chinese company Great Wall Industry [previous three words in English], an industrial branch of the Chinese Aeronautics and Astronautics Ministry. Its representative, Frank K. Cheng, was also present during the interview. He only answered two questions, and said that Inscom's prices would be lower than ones currently prevailing in the market. Inscom will compete directly with the U.S. NASA program and the Ariane space program, a European association for space programs.

Pedro Vial, Avibras official relations director, told FOLHA DE SAO PAULO that Inscom will sell a space program which includes the launching of artificial satellites for less than $100 million. When asked what sales strategy Avibras will use to convince a government to buy a space program from a Brazilian-Chinese association and not from the United States or Europe, Verdi smiled and said: "The PRC, which will provide the satellite, the rocket, and the launching, has already made 20 successful launchings into space. It is true that it has

made less launchings than the competition, which has been in business for a longer time. We are aware that our services will need to be promoted well."

### Itamaraty Sends Antiapartheid Message to UN

*PY1706014589 Brasilia Domestic Service in Spanish 2200 GMT 16 Jun 89*

[Text] Brazil has sent the UN Special Committee Against Apartheid a message repudiating the racist regime of South Africa.

In the communique released by Itamaraty, Foreign Minister Abreu Sodre expresses the Brazilian conviction that the democratic goals sought by the South African population will finally defeat arbitrariness and intolerance.

According to the Itamaraty communique, Brazil will systematically support all sanctions proposed against South Africa, including bans on arms and petroleum sales as well as on cultural, artistic, and sports exchanges with this country.

## Chile

### Official Reaction to U.S. Release of Buschmann

*PY1706030089 Santiago Domestic Service in Spanish 2300 GMT 16 Jun 89*

[Text] Terrorist Sergio Buschmann, who had been held in preventive custody in Alaska, was set free by U.S. authorities. The Chilean Government has expressed its frustration over that decision, noting that it will continue to take all necessary steps at every occasion to bring Sergio Buschmann to court in Chile.

The information was made public by Chilean Foreign Ministry spokesman Carlos Ducci in an official communique released from the Foreign Ministry.

[Begin Ducci recording] The Foreign Ministry was informed today by the U.S. Department of State that because of legal technicalities related to interpretations of the bilateral extradition treaty of 1900, it cannot keep Sergio Buschmann in preventive custody, nor can it comply with the extradition request that is being prepared in Chile. The Chilean Government makes public its disappointment at this decision by the U.S. Department of State and the U.S. Department of Justice. It is not sufficient in the struggle against international terrorism that some countries should limit themselves to expelling the terrorist Buschmann from their territory. We have requested that justice be allowed to operate so that Buschmann can be submitted to due process in a case of a strictly judicial nature. Buschmann has been internationally recognized as a terrorist; he has endorsed violence, incited assassination, and raised funds for the purchase of arms to kill Chileans. The U.S. Government has had at the proper time the opportunity to inspect the arms clandestinely introduced into Chile for terrorist purposes by Sergio Buschmann. This act has been publicly condemned by the U.S. Department of State, because it revealed the threat international terrorism poses to the security of the hemisphere. The Chilean Government has taken and will take all necessary steps at every opportunity to bring Buschmann to court, and it must now deplore and reject the impunity with which this avowed criminal will continue to endorse terrorism and violence on the international stage. [end recording]

Terrorist Sergio Buschmann, spokesman for the Manuel Rodriguez Patriotic Front, has the status of political refugee in Sweden. When Carlos Ducci was asked if Buschmann has traveled to Sweden, he replied that he did not know and that he only has information that Buschmann has been set free.

### Terrorist Plan Against Officials Denounced

*PY1606214189 Madrid EFE in Spanish 1914 GMT 16 Jun 89*

[Text] Santiago, 16 Jun (EFE)—The Chilean military government has reported today the existence of a selective terrorist plan to attack government officials, a plan that could be linked to the Shining Path, a Peruvian terrorist group.

General Oscar Vargas, the minister secretary general of government, reported on this plan during a 2-hour cabinet meeting that was chaired by Chilean President General Augusto Pinochet.

The minister said that there are clear indications of such a plan, emphasizing that the civilians have great responsibility because the struggle against subversion cannot be conducted without the assistance of civilians.

Gen Vargas pointed out that the recent attacks on Armed Forces and security services personnel, the stealing of cars—according to the police, a military truck and 18 private vehicles have been stolen—and the stealing of car license plates at the municipalities are a clear indication that these groups are about to begin their activities.

This week, several unidentified individuals attacked an Army noncommissioned officer who is a member of the National Intelligence Center (CNI, the secret police); he was seriously injured. Last week a retired Air Force officer was murdered.

The minister added that coordination among all the terrorist groups operating in the area has been noticed, especially by the Shining Path. This matter was discussed by the Peruvian defense minister in a speech he made in Lima last week.

Concerning the measures taken, Gen Vargas said: "All government authorities have been instructed to take care."

Gen Vargas categorically denied that the possibility of General Augusto Pinochet running in the presidential elections scheduled for 14 December 1989 was discussed in the cabinet meeting held today at the La Moneda presidential palace.

In a news conference, Sergio Onofre Jarpa, a right-wing presidential candidate and the president of the progovernment National Renewal Party, said that his nomination "would not make any sense if Pinochet runs for the same political sector."

Jarpa reiterated that if the incumbent, who has been president since 1973, wants to run for president, "it will be necessary to reform the 1980 Constitution" because Article 25 prevents the Chilean president from seeking reelection.

### Pinochet, Jarpa Reyes Vie for Right-Wing Vote

*PY1706115989 Buenos Aires TELAM in Spanish 2026 GMT 16 Jun 89*

[Text] Santiago, 16 Jun (TELAM-ANSA)—The competition between the facto President Augusto Pinochet and National Renewal Party leader Sergio Onofre Jarpa Reyes for the position of candidate for the Chilean right wing at the upcoming presidential elections deteriorated recently when the dictator did not rule out the possibility of "running again if the people ask me to."

In addition to engaging in a political struggle with Jarpa Reyes, Pinochet would be forced to amend the Constitution if he confirms his decision to run for president.

According to political experts in Santiago, "Jarpa Reyes has managed to undermine Pinochet's control" over ultraright-wing civilian groups that support the regime.

Some of the businessmen, financiers, professional people, farmers, and state employees who pay a great deal of attention to the activities of the foremer interior minister and his party feel that "he has managed to provide the right wing with a future."

They also believe that "Jarpa Reyes' positions are looked upon favorably by certain sectors of the Armed Forces, especially in the Navy, the Carabineros, and the Air Force," although nothing is known about the "support that his ideas may enjoy" in the Army, which is viewed as a "key" element in Chile's military power structure.

The same sources believe that Pinochet "is watching with concern the growing ties between National Renewal and the Christian Democratic Party," a group which is considered "centrist," and "large sectors" of the "Coalition of Parties for Democracy" which is made up of "moderate" parties such as the Radical Party, the Social Democratic Party, the Humanist Party, the Christian Leftist Party and the Socialist Party.

The sources added that "the president believes that this course of action may pave the way in Chile for a ne onslaught of the radical left and the strong Chilea Communist Party, something which must be prevented at every level."

According to political analysts, this situation has unleashed a "struggle among the "'hawks' and the 'doves' within the dictatorial regime and its allies. The differences are felt not only in Government House, but also among right-wing political parties, among which Jarpa Reyes has obvviously managed to gain some ground and obtain firm support."

Meanwhile, the opposition is viewing the situation somewhat favorably. Leftist leaders Luis Maria and Ricardo Lagos have said that "Pinochet wants to compete for the portions of power that he has never really given up. If he does run, however, we will defeat him again. The best present he could give the opposition would be to run again."

### Radical Democratic Party Nominates Candidate

*PY1806221889 Madrid EFE in Spanish 0058 GMT 18 Jun 89*

[Text] Santiago, 17 Jun (EFE)—The Radical Democratic Party (PDR) today nominated lawyer Julio Duran Neuman as its presidential hopeful for the 14 December 1989 elections. Duran, 71, is a former senator, ambassador to the OAS, and 1963 presidential candidate. PDR President Jaime Tormo reported that Duran's nomination is subject to Pinochet's decision on his own presidential candidacy.

The PDR is a small, rightist party which split from the old Radical Party [PR] in 1970 when the PR supported Salvador Allende's socialist government. Allende's government was overthrown in 1973 by a military coup lead by General Pinochet.

Another right-wing candidate is Sergio Onofre Jarpa, from the pro-government National Renewal Party. Jarpa was interior minister from 1983 to 1986 during the current regime.

### MAPU To Support Aylwin in Presidential Run

*PY1606191889 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 16 Jun 89*

[Text] The MAPU [United Popular Action Movement] has decided to support the presidential candidacy of Patricio Aylwin.

MAPU leader Victor Barrueto met with Aylwin to convey to him the MAPU's support. Barrueto said that because there is little time before the election, the MAPU hopes that other forces will endorse Aylwin's candidacy.

Barrueto said the MAPU support for Aylwin should also result in a broad agreement within the opposition coalition concerning nomination of congressional candidates.

### Mirage Explodes on Takeoff in Punta Arenas

*PY1706232889 Madrid EFE in Spanish 2028 GMT 17 Jun 89*

[Text] Santiago, 17 Jun (EFE)—A Mirage airplane of the Chilean Air Force exploded today right after taking off from "President Ibanez" International Airport in Punta Arenas, Chile, 2,500 km south of Santiago.

According to the initial reports in Santiago, the accident occurred this morning and the pilot died immediately.

The accident apparently occurred when the airplane lightly touched another 'Mirage' at takeoff during training.

### Terrorists Cause Widespread Power Outages

*PY1606185889 Santiago Radio Chilena Network in Spanish 1700 GMT 16 Jun 89*

[Report by Radio Nelol, Temuco]

[Text] Two terrorist attacks last night damaged Frontel Electric Company power towers. The attacks, which occurred between 2100 and 2130, caused power outages in the river, lake, and maritime zones of (Cauquin). The violent explosions affected the energy supply in Labranza, Imperial, Carague, (Topolue), Cholchol, Puerto Dominguez, and Port Saavedra. As soon as the attacks were made known, employees of Frontel, the company in charge of supplying energy to the Cauquin coast region, immediately located the attacked spots and repaired the damage to continue supplying energy to the region.

The explosions could be clearly heard in Temuco. According to employees of the Temuco electrical companies, the local supply system was not affected.

At 0730 this morning, unidentified individuals exploded a bomb that damaged the local telephone system. Chilean Telephone Company personnel immediately repaired the system.

### Correction to Report on Relations With Hungary

*PY1606124589*

The following correction pertains to the item headlined "Consular Relations With Hungary To Resume," published in the 16 June Latin America DAILY REPORT, page 47:

Column two, paragraph one, last sentence make read: ...soon be established. Relations with Portugal will be resumed at the ambassadorial... (providing dropped words)

## Colombia

### ELN Captures 1 Foreign, 2 Local Reporters

*PA1606203689 Bogota EL TIEMPO in Spanish 11 Jun 89 p 8-A*

[Unattributed report from Bucaramanga City]

[Text] Three journalists, including one foreign correspondent, have been captured by the Camilist Union-Army of National Liberation [UC-ELN]. The journalists were taken to one of the so-called "Camps of New Colombia," located somewhere in the Colombian jungle.

With that action, the UC-ELN launched a new operation called "ECOPETROL's [Colombian Petroleum Enterprise] Skeletons Are Rattling." As part of this operation, the UC-ELN will provide information to the country and to the world about ECOPETROL's oil policy. The UC-ELN will report "the surrender of resources to foreign capital and the unpatriotic behavior of those who handle the nation's oil resources."

Ana Cuervo Alonso, EFE news agency correspondent to Colombia; Johnson Rojas, Cinevision correspondent in Cucuta City; and Mario Ramirez, Noticiero de las Siete newscast correspondent, also in Cucuta City, were captured by the UC-ELN.

Cuervo was captured by the rebels in a Bogota downtown street on 8 June, and the other two men were captured in separate operations in different areas of the capital city of northern Santander Department also on 8 June.

### ELN Releases Parliamentarian Kidnapped 15 Jun

*PA1606184589 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Jun 89*

[Text] Cinevision has last minute news. Liberal parliamentarian Luis Ignacio Guzman Ramirez was released in Pereira a few minutes ago. He had been kidnapped by the so-called Army of National Liberation (ELN) yesterday in Medellin. The parliamentarian brought with him documents with the ELN's suggestions for the country's petroleum policies.

### M-19 Spokesman Meets With PSC Leaders

*PA1606235289 Bogota EL TIEMPO in Spanish 12 Jun 89 p 7-A*

[Text] The M-19 [19 April Movement] has initiated a number of contacts with the leaders of traditional parties to ensure that the proposals the "working roundtables" make will be approved by the Congress.

To this end, M-19 spokesman Alberto Caicedo held the first meeting with Carlos Martinez Simahan, president of the Social Conservative Party [PSC] National Directorate, PSC secretary Hernando Barjuch, and Victor G. Ricardo.

The M-19 also plans to meet with Liberal Party leaders, but there has been no word yet on with whom, specifically, the rebel group will talk. It is believed that their first contacts will be with the Liberal Party candidates.

Although each one of the political parties named their respective representatives to the working roundtables, the M-19 believes that the only way to achieve positive results is by obtaining commitments from members of congress.

Thus far, no specific proposals have been submitted to the congress, which will resume sessions on 20 July. However, last week there was a congressional consensus on the need to hold a referendum in October or November of this year and to convoke a national constituent assembly. Although a date for the national constituent assembly has not been set, it has been proposed that it take place in 1990.

## UC-ELN Issues Oil Policy Proposal

*PA1706000889 (Clandestine) Radio Patria Libre in Spanish to Colombia 0030 GMT 16 Jun 89*

[Communique No 3 issued by the Camilist Union-Army of National Liberation from the "Camps of the New Colombia" in June]

[Text] A sovereign Colombia must stand on its feet. Camilist Union-Army of National Liberation [UC-ELN] Communique No 3, a nationalist proposal:

As a result of the political and military actions carried out within the "Sovereign Colombia Must Stand on Its Feet" campaign, we have succeeded in drawing up this nationalist proposal.

Multinational corporations use many disguises to step on and violate our national sovereignty. The oligarchy and its government tirelessly try to camouflage those violations to obtain profits for its social class. Now, the little some thought had been done for the homeland is being handed over to foreign interests by Colombian Petroleum Enterprise [ECOPETROL] directors.

At first, petroleum workers and people in general struggled to disallow petroleum concessions, although there presently is a perpetuity concession granted to the Texas Petroleum Company, Texaco. We also struggled against harmful partnership contracts, including the ones signed with the Occidental Petroleum Company and Shell. Our present struggle is against ECOPETROL leaders, because they are handing over Colombian territory to multinational corporations, thus violating the laws they themselves and the Colombian Government established.

Our proposal is part of our struggle in defense of national sovereignty and forestalls the oligarchy's permanent desire to surrender the homeland's interests to foreign multinationals.

We propose that the nation struggles for the following seven points:

1. Nationalization of Cano Limon, because national sovereignty is frequently violated there by Occidental Petroleum and Shell. Those violations call for the nationalization of that oil field.

2. Freezing of gas prices. There is enough oil in the country to fulfill local gas demands. We must adopt nationalistic measures to stop giving crude to multinational corporations for free while paying them international prices for our own oil. In addition, we must expand ECOPETROL's refining capacity.

3. Suspension of ECOPETROL's partnership contracts signed with multinational corporations that include concessions over areas near Cano Limon and the return of areas that must be exploited by ECOPETROL for national interests. Concessions granted for the exploitation of areas near Mares must be eliminated. For example, Occidental Petroleum must return the field located at Las Monas; (PETROGRAS) must return the field located near Sogamoso River; Exxon must return the field in Sabana de Torres; Condor must return the field in La Rompida; and Texaco must return the area in Las Lajas.

4. The (UPON Development) Company must suspend the drilling of oil wells included in the (UPON) contract and the contract itself. The company should be expelled from the country, and ECOPETROL must begin drilling oil wells in those fields with its own equipment.

5. The forum agreed upon during the negotiations between the Workers Labor Union [USO] and ECOPETROL must be held, because oil workers have a right to participate in the drafting of oil policy and to inform the people of the deals ECOPETROL directors are conducting. In addition, that forum must discuss the seven points we are proposing in this communique.

6. Creation of a national petroleum council, which should be the highest oil authority and which should defend national sovereignty. That council must create a sovereign and independent oil policy to protect the people's and nation's interest concerning hydrocarbon and natural resources. We believe the national petroleum council must be an autonomous institution that functions independently from the government, the state, and the foreign multinationals. In addition, that council's mandate will be sovereignly granted by the people through their various democratic and popular organizations and instruments.

To guarantee the success of this oil policy proposal, we propose the following people and organizations as members of the national oil council:

Workers Single Central, USO, EDEPETROL [expansion unknown], Leftwing Front, Northeastern Popular Coordinating Board, former Attorney General Horacio Zerpa Uribe, Patriotic Union President Diego Montana Cuellar, Conservative Party hopeful Alvara Leyva Duran, and FENDIPETROL [expansion unknown] President Oscar Pena Alfate.

7. Because ECOPETROL's policy is antinationalistic and promotes the surrendering of our natural resources to foreign hands, and because it flagrantly violates our Constitution, we propose a peoples' trial for that policy. ECOPETROL, its directors, and the Colombian Mines and Energy Ministry must be summoned in that trial.

If that trial takes place, we promise to present evidence and arguments showing the ways in which ECOPETROL and the Mines and Energy Ministry are harming the nation.

We will continue struggling for the above seven points. We are willing to respect the national oil council and to agree that it issue the pertinent decrees as long as it is formed according to the previously mentioned terms.

We hope the national oil council will seek nationalistic solutions to our oil problems, because the oligarchy is not interested in solving them. The oligarchy has repeatedly rejected our actions of goodwill to find a sovereign and independent solution to the current natural resources crisis.

Our men, weapons, and resources will always be ready to back any struggle in defense of our sovereignty.

A Sovereign Colombia Must Stand on Its Feet Campaign
UC-ELN
Colombia is for the workers.
Not one step backward.
Liberation or Death.
[Signed] Manuel Perez Martinez, Nicolas Rodriguez Bautista
Camps of the New Colombia
June 1989

## Covenas Oil Exports Suspended for 3 Weeks

*PA1806162289 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 17 Jun 89*

[Report by Juan Carlos Santacruz]

[Text] Colombia will lose 25 billion pesos as a result of an attack on the Cano Limon oil pipeline terminal in Covenas. Crude oil exports from that terminal will be suspended for at least 3 weeks. It will take a year for export activities to return to their normal level following the most serious attack by guerrillas against the country's oil facilities.

The attack on the Cano Limon-Covenas oil pipeline in the early morning of 16 June is the worst attack in the past 30 months. Colombia will lose more than 25 billion pesos from the interruption of oil exports from that terminal; municipalities will lose 2.5 billion pesos in royalties; and $70 million will be needed to repair the oil terminal, which was totally destroyed.

[Begin recording] [Andres Restrepo Londono, president of the Colombian Petroleum Enterprise, Ecopetrol] The terminal's facilities were completely destroyed, meaning the complete destruction of the system for delivering oil to ships.

[Energy and Mines Minister Oscar Mejia Vallejo] Repairs could take over 1 year. We are studying a provisional solution, but it would still take 3 weeks for exports to resume. [end recording]

Approximately 220,000 barrels of oil were exported from the terminal daily. The oil can no longer be loaded because the two dynamite bombs were strategically placed on the pipe that feeds oil to waiting ships and on the terminal's control equipment.

This year's attacks on the pipeline have caused losses of $220 million. The government and Ecopetrol have appealed for an end to terrorist attacks against the Cano Limon-Covenas oil pipeline.

## Guerrillas Dynamite Oil Pipeline; Soldier Killed

*PA1706030489 Bogota Inravision Television Cadena 1 in Spanish 0007 GMT 17 Jun 89*

[Monitored in progress]

[Text] ...an infantryman was killed during a rebel attack on a measuring station of the country's main pipeline at the Covenas Port on the Caribbean Sea. The explosion also ruptured the pipeline, caused an oil spill, and started a fire that completely destroyed the station.

According to Mines and Energy Minister Oscar Mejia, this was the most serious attack on the Cano Limon-Covenas pipeline. The explosion contaminated the Morrosquillo Gulf and also destroyed the zone's electrical networks.

The oil pipeline's land installations are located in Covenas. These installations make it possible to send crude oil to a tank vessel that supplies oil tankers with petroleum for export. The dynamite was placed in the reception trap and in the multiple valves.

The guerrillas opened fire on the infantry soldiers patrolling the area at the same time the dynamite explosion occurred.

### New Military Penal Code in Effect 12 Jun

*PA1706130889 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 11 Jun 89*

[Report by Oscar Galviz]

[Text] The new military penal code under which Armed Forces members will be tried and punished will go into effect tomorrow [12 June]. After 2 years of study and analysis, the new law will finally go into effect. The new law is based on the same philosophical principles of the regular penal code but has been adapted to the military. This new penal code establishes differences between crimes committed by policemen and soldiers. For example, desertion is a military crime and does not apply to policemen.

Furthermore, the new military code includes certain guidelines to be followed while under a state of siege, such as the trying of civilians by the military. The new law establishes that cowardice will be punished with 2 to 4 years in prison; if a defeat is involved, the sentence will be doubled to 8 years. Insubordination will be punished with 2 to 6 years, and the sentence doubled if other parties are involved, if weapons were used, or if the act was performed in the presence of troops in formation.

If a soldier should abandon his post for more than 24 hours, he will be sentenced to 1 to 5 years. Desertion will be punished with 6 months to 2 years in prison. Releasing a prisoner of war will be punished with 1 to 5 years in prison. Failure to provide the troops with supplies will be punished with 2 to 6 years in prison. Cowardice is punished with 2 to 4 years in prison, and if committed while fulfilling the duties of commander, the sentence will be from 10 to 20 years.

[Begin Military Court President General Oscar Botero recording] The new code accelerates legal proceedings and grants the accused more avenues for self-defense. I believe that the penal code has been updated in this sense. [end recording]

Torture, embezzlement, and some types of bribery are some of the crimes included under this new military code.

### ELN Inflicts Eight Casualties on Army

*PA1706171089 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Jun 89*

[Text] An officer, a noncommissioned officer, and two soldiers were killed and four soldiers were wounded at daybreak today when they passed through a minefield set up by rebels from the so-called Army of National Liberation [ELN]. ELN terrorism continues. The ambush took place in San Jacinto, near the Perija mountains, El Cesar Department.

### Bomb Damages Several Barranquilla Buildings

*PA1706172289 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Jun 89*

[Excerpts] No one has yet claimed responsibility for the attack this morning against the Banco Santander branch in downtown Barranquilla. According to explosive experts, 30 kg of dynamite exploded in front of the bank. The explosion caused damage, but no one was killed. Osvaldo Castillo has this report:

[Begin Castillo recording] The second terrorist attack this week took place in Barranquilla. This time the target was the Banco Santander's main offices in downtown Barranquilla. The explosion took place at 0420 this morning when unidentified men set off an explosion outside one of the side windows, which opened a gaping hole in the building, causing an estimated several millions worth of damage to the bank's interior. [passage omitted] Various office machines were destroyed and the ceiling collapsed. Windows of several nearby stores were destroyed and heavy structural damage to these buildings was reported. [end recording]

## Ecuador

### Borja Refuses Debt Talks Until Funds Returned

*PA1606164389 Bogota Emisoras Caracol Network in Spanish 1215 GMT 16 Jun 89*

[Text] Bogota—In an interview with Radio Caracol, Ecuadoran President Rodrigo Borja warned that as long as Citibank does not return the $600 million that it abusively collected from an Ecuadoran Government account, his administration will not begin any contacts to renegotiate the foreign debt. Borja added: This is a decision made by my government, and we will not back down because we are right.

In an interview that Borja gave to [Radio Caracol news director] Yamid Amat in Quito, he also defended the agreements reached with the Alfaro Lives, Dammit group, and, contrary to what his critics say, he maintained that it is better to have a group of men involved in politics than plotting against the government. However, he added, there is no negotiation for the release of those who are in jail or who have fled justice with trials still pending.

Borja, president of the Democratic Left and a social democrat, will arrive in Colombia on Monday for a 2-day official visit. During his stay, he will sign several trade, border, and [word indistinct] agreements, which will allow the Ecuadoran and Colombian presidents to further their political relations.

### Unprecedented Police Deployment Follows Shoot-out

*PA1606174289 Paris AFP in Spanish 1618 GMT 16 Jun 89*

[Text] Quito, 16 Jun (AFP)—An unprecedented deployment of policemen can be seen in the Ecuadoran capital today in the wake of a bloody shoot-out late last night in which two policemen and a civilian were killed and five other policemen wounded.

Officials on duty at the Government (Interior) Ministry and at police headquarters say that they do not know for sure what happened; they are awaiting the arrival of top officers who are "attending a wake for the dead policemen."

An official report is expected later.

The victims include Major Eduardo Zea, head of the Special Investigations Unit [Unidad Especial de Investigacion—UEI], a specialized counterinsurgency police force created 5 years ago.

Eyewitnesses say that four or five individuals were being pursued, apparently from La Mitad del Mundo, a community located 20 km north of Quito, by people dressed in black uniforms (like those of the UEI). At one point the individuals turned around and fired submachineguns at their pursuers, which resulted in the aforementioned casualties.

This led to a deployment of policemen rarely seen before, and which still remains in place, as part of an effort to locate the unidentified individuals. Rumors that a subversive movement had reemerged were soon being circulated.

## Peru

### Presumed Spy Reportedly a Navy Deserter

*PY1606134289 Madrid EFE in Spanish 0320 GMT 16 Jun 89*

[Text] Lima, 15 Jun (EFE)—The Navy reported today in Lima that the Peruvian officer detained in the FRG accused of spying for the GDR, is a former noncommissioned officer who deserted from the Peruvian Navy.

A communique released by the Peruvian War Navy states that Luis Alberto Chunga Juarez, 47 years old, deserted in October 1974 while serving on submarines as an officer, with the rank of Sea Officer First Class (equivalent to a noncommissioned officer in the Army), as an electronics expert.

The FRG Public Prosecutor's Office claims that Chunga is a former Peruvian Naval officer.

The communique adds that Chunga was not in charge of supervising the construction of several submarines for Peru in the FRG between 1972 and 1974.

"Chunga Juarez was a member of the commission for the construction of one of the submarines, type 209, ordered by Peru, but he was not a supervisor, which is a post entrusted to an officer," the communque adds.

Peruvian Navy officials have reported that the "political persecution" pretext used by Chunga to request asylum in 1976 from FRG authorities is nothing but an effort to conceal his "real condition of deserter."

According to the FRG Public Prosecutor's Office, Chunga Juarez is being held in custody because he has been providing plans for the construction of submarines to GDR secret services since 1982.

### Reporter for Shining Path 'Mouthpiece' Detained

*PY1606131389 Madrid EFE in Spanish 0347 GMT 16 Jun 89*

[Text] Lima, 15 Jun (EFE)—EL DIARIO reporters today reported in Lima that last Wednesday Lima antiterrorist division agents detained Janet Gamarra, staff writer of EL DIARIO, a weekly police believe to be a mouthpiece of the Maoist "Shining Path" group.

The sources added that the reporter was detained while driving her car and that she has been taken to an unknown location.

Gamarra was detained following an attack carried out 2 days ago against the building where EL DIARIO is edited. Doors, windows, and furniture were destroyed.

"Even if they hurl a thousand bombs, they will not silence us," was one of the headlines published by EL DIARIO in its Wednesday edition. The paper blamed the government for the attack.

A Antiterrorist Directorate (Dircote) spokesman consulted by EFE neither confirmed or denied the report.

Every week EL DIARIO publishes details of terrorist actions carried out by the "Shining Path" and calls the proscribed leader and founder of the Maoist group, Abimael Guzman Reynoso, "President Gonzalo."

According to Justice Minister Cesar Delgado, the director of the weekly, Luis Arce Borja, is traveling in Europe disseminating news on the progress of the "Shining Path," and blaming the government for alleged human rights violations.

Arce, the only Peruvian reporter who has been able to talk to Guzman, and who published a 13-page interview, was detained twice by Dircote, but was released each time for lack of evidence on his presumed ties with the "Shining Path."

### Terrorists Attack Police Station, 1 Killed

*PY1606141489 Madrid EFE in Spanish 0527 GMT 16 Jun 89*

[Text] Bolognesi (Peru), 15 Jun (EFE)—A police source has reported that a policeman was killed in Peru and six others were injured in an armed confrontation with terrorists who tody attacked the national police station in Paclion, Bolognesi Province.

Twelve policemen defended themselves for several hours from 100 presumed Shining Path militants, who last night attacked the police station with submachineguns and explosives, the source added.

Paclion, some 80 km from Bolognesi, is an important mining center in the central Peruvian mountain region.

The Shining Path began its armed struggle in 1980, and the conflict has caused the death of at least 14,000 people and property damage estimated at more than $10 billion, Peruvian Vice President Luis Alberto Sanchez reported a few days ago.

### Shining Path Charged With Murder of 40 Peasants

*PY1606154689 Madrid EFE in Spanish 0156 GMT 16 Jun 89*

[Text] Lima, 15 Jun (EFE)—The Association for Human Rights [Asociacion pro derechos humanos—ADH] of Peru today reported in Lima the murder of 40 peasants by "Shining Path," terrorists and the abduction and disappearance of 10 people in the Andean zone, where a state of emergency is in effect.

ADH released a press note stating that the peasants were murdered by a Shining Path column in Castrovirreyna, a province in the Department of Huancavelica, southeast of Lima. According to a teacher from the zone who came to Lima to denounce the crime, the peasants were murdered "for cooperating with the forces of order."

This mass murder took place on 9 June. It was learned about 2 days later, when a Lima newspaper, citing police sources, reported that 45 peasants were killed.

In its note, the ADH reported that the 10 missing people were detained by the security forces in the Departments of Ayacucho and Junin in April and May 1989.

It adds that three of them were detained in April by Army troops in Tincoy, a town in the province of Huanta in Ayacucho Department, 575 km southeast of Lima. There has been no information since then about their whereabouts.

The seven others, including three teachers, were detained in May in their own houses by antisubversive police agents called "sinchis." According to the note, they were detained in the provinces of Chanchamayo and Satipo, Junin Department, Peruvian Central Mountain region. Nothing has been heard about them since then.

Ayacucho, Huancavelica, and Junin, 3 of the 10 Peruvian Departments, house approximately 40 percent of the 22 million Peruvians. These departments have been in a state of emergency due to terrorist activity.

### Police Arrest 100 Shining Path Terrorists

*PY1706114789 Madrid EFE in Spanish 0340 GMT 17 Jun 89*

[Text] Lima, 16 Jun (EFE)—About 100 alleged terrorists were arrested today in an operation carried out by the Peruvian police and the Army in the densly-populated Lima neighborhood of Huaycan, which is regarded by authorities as a Shining Path hideout.

Huaycan is a shantytown located on the right side of the Rimac River, 20 km east of Lima.

A Peruvian Defense Ministry source has reported that the operation was carried out to prevent terrorist attacks commemorating the 3d anniversary, on Monday, of the death of 250 Shining Path terrorists who revolted in Lima's prison.

The source said that some 200 policemen and soldiers took part in the 6-hour operation carried out in Huaycan. These troops were supported by armored cars and specialized personnel who have been guarding the Lima metropolitan area at night since the beginning of this week.

The source reported that soldiers surrounded the neighborhood while policemen conducted a house-to-house search and arrested 100 people, among them several women suspected of being members of the pro-Maoist Shining Path terrorist organization.

The source added that since 12 June, the national police and soldiers from the Rimac Garrison, who are in charge of the military surveillance in Lima, have been confined to their barracks.

### Terrorists Knock Down 16 High-Voltage Towers

*PY1706231689 Madrid EFE in Spanish 0334 GMT 17 Jun 89*

[Text] Lima, 16 Jun (EFE)—Today, presumed "Shining Path" guerrillas knocked down 16 high-tension line towers from a hydroelectric power plant in the central Peruvian mountains, forcing authorities to ration electricity in Lima and in coastal cities in northern and southern Peru.

Jose Acevedo, spokesman of the state-owned "Electroperu" [Peruvian State Electric Power Enterprise], has confirmed that the powerline network of the Mantaro River was blown up early this morning. The network is located in the Pinascochas area of Junin Department, which is immediately east of Lima Department. The Mantaro system supplies electricity to cities in at least 10 Peruvian departments.

Acevedo added that the estimated daily losses range from $200,000 to $400,000.

The Mantaro hydroelectric system supplies electricity to the central mountainous area, Lima, and the cities along more than 1,000 km of the Peruvian coast, from Chiclayo, 780 km north of Lima, to Ica, 305 km south of Lima.

The high-tension line towers have been one of the main targets of the "Shining Path" since that group began violent actions in 1980.

According to official statistics, the damages caused by terrorism from 1980 until now total $10 billion.

### Terrorists Kill Priest, Policemen

*PY1706235089 Madrid EFE in Spanish 2207 GMT 17 Jun 89*

[Text] Lima, 17 jun (EFE)—It was reported in Lima today that a Catholic priest and two Peruvian policemen were murdered by presumed "Shining Path" terrorist in Junin Department.

Father Teodoro Santos Mejia, 30, the parish priest of the town of Huaripampa, was murdered last Thursday night by the Shining Path, with a single shot to his head. The priest had received death threats for his constant preaching against Shining Path violence.

Later, the terrorists attacked the police station of Huaripampa, killing National Police Sergeant Pedro Obaya and Policeman Manuel Huaringa.

Huaripampa was blacked out when the terrorist attack took place. The terrorists destroyed the police station and took the police weapons with them.

Huaripampa is located in Junin Department, which is immediately east of Lima Department. Last night, "Electroperu" [Peruvian State Electric Power Enterprise] reported that in the early morning hours of last Friday the subversives kocked down 16 high-tension line towers.

"Electroperu" pointed out that this new terrorist attack will force the enterprise to ration the electricity to Lima and to much of the Peruvian coastal area.

Political violence has caused 136 deaths so far in June, 1,125 deaths in the first 5 months of 1989, and nearly 14,000 deaths since 1980. Losses due to terrorist attacks since 1980 have been officially estimated at $10 billion.

### 'Several Explosions' Hit Lima 18 June

*PY1906031589 Buenos Aires TELAM in Spanish 0218 GMT 18 Jun 89*

[Text] Lima, 18 Jun (TELAM-EFE)—Local press sources reported that several explosions went off today in Lima. It is still not known whether the explosions caused damage or injuries.

The explosions occurred in residential districts near the National Museum and near the political headquarters of the Freedom Movement, which is led by writer Mario Vargas Llosa.

The explosions, which were not powerful, occurred on the eve of the 3d anniversary of the death of 250 Shining Path members following riots in Lima prisons.

Policemen and Army soldiers have been closely patrolling Lima streets at night since early this week to prevent possible Shining Path attacks. The Shining Path has designated 19 June "heroes day" in honor of its members who were killed in three Lima prisons.

Shining Path terrorists began the armed struggle in 1980, a struggle that has claimed the lives of at least 14,000 people and caused losses estimated at $10 billion, according to Vice President Luis Alberto Sanchez.

## Venezuela

### Perez Meeting With Police Commanders Reported

*PA1706005689 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 16 Jun 89*

[Text] The national government is interested in solving the police problem to guarantee the best conditions for that institution, President Carlos Andres Perez said during a meeting in Miraflores Palace with the High Command of the Metropolitan Police [PM], headed by Brigadier General Gonzalo Bajares Colmenares.

During the meeting, President Perez expressed before high-ranking National Guard officers and police supervisors his appreciation for the work carried out by an institution that must perform its duties under difficult circumstances in a city as complex as Caracas. President Perez also criticized the recent incidents within the PM organization.

[Begin recording of unidentified police official] We made a special request on behalf of police supervisors, assistant supervisors, and all PM members, to the effect that we wanted a revision or reconsideration of the order that led to the expulsion of some PM members, and we demanded that the review be conducted as objectively as possible. We hope that a satisfactory solution will be found for the PM, not only for supervisors but for the entire PM as an institution. That includes supervisors, assistant supervisors, inspectors, deputy inspectors, subofficers, noncommissioned officers, agents, and administrative personnel, because the PM is one body, a large and united family. [end recording]

*** ROC Invests 100 Million Bolivares in Guiana**
*33480190 Caracas EL NACIONAL in Spanish*
*16 May 89 p D-11*

[Text] The Republic of China will invest 100 million bolivares in Guiana, said Fernando Delgado, president of the Chamber of Commerce of Caroni, while announcing the celebration of the region's first international fair, which will be held at the end of October of this year. The businessman stated that the delegation had already visited the area, and that the money would go toward the installation of a foundry. This would represent the first concrete negotiation with China, a consequence of business discussions between CVG [Venezuelan Corporation of Guayana] and the government. In terms of the international fair, Jose Rivas, one of the organizers, said that from October 27 until November 5, national and international businessmen will meet on the premises of Caroni's nautical club. Countries such as Sweden, Poland, Mexico, and Argentina have already confirmed their attendance.

## Guyana

**Trade Zone Talks With Brazil Open 15 June**
*FL1706183089 Bridgetown CANA in English*
*2103 GMT 16 Jun 89*

[Text] Georgetown, Guyana, July 16, CANA—Talks on the possibilities for setting up a free trade zone in Guyana opened here Thursday [15 June] between a three member delegation from Suframa, a Brazilian agency which superintends a free trade zone in Manaus, Brazil and Guyana Trade Ministry officials.

No details of the Brazilians' proposals have been released. The team, comprising Ms Catarina Lima Assi, Mr Clycerio Viera do Nascimento Esa, and Ms Isa Assef, arrived in Guyana Wednesday night.

The Guyana team included Permanent Secretary Avinash Bhagwandin and Foreign Trade Officer Floyd Marks.

**Nation To Receive Additional $100,000 From PAHO**
*FL1706164089 Bridgetown CANA in English*
*1505 GMT 17 Jun 89*

[Text] Georgetown, Guyana, June 17, CANA—The Pan American Health Organisation (PAHO) will be making an additional 100,000 U.S. dollars available to Guyana this year to assist the Health Ministry, the government announced.

The money will be used to buy medical supplies and drugs and will be in addition to 1.1 million U.S. dollars allocated for the next 2 years. Agreement for the additional assistance was reached following a recent evaluation meeting involving PAHO and Health Ministry representatives at which priority areas were identified. These include the upgrading of material and child health care services and human resource development.

## Suriname

**National Assembly Begins Peace Plan Debate**
*FL1606160189 Bonaire Trans World Radio in English 1130 GMT 16 Jun 89*

[Text] Suriname's national assembly has begun debate on a draft peace plan to end the country's 3-year old guerrilla uprising. The official Surnamese News Agency reported yesterday that the plan was being discussed in a closed door meeting of the assembly.

Assembly Speaker Jaggernath Lachmon and rebel leader Ronnie Brunswijk signed a cease-fire agreement last week in French Guiana to allow the two sides to negotiate a permanent settlement.